Daily Report

Latin America

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OPEC Signs Agreement With Subregional Group

PY1006215088 Madrid EFE in Spanish 0412 GMT 10 Jun 88

[Text] Sucre, Bolivia, 9 Jun (EFE)—OPEC and the River Plate Basin Development Fund (FONPLATA), a subregional organization that has its headquarters in Sucre, Bolivia, have signed an agreement to put several joint projects into operation.

This was announced by Carlos Gonzalez Weise, FONPLATA executive director, who praised the job done by Brazilian Eloy Greco in dealing with the OPEC countries.

The two organizations will finance $3 million in development projects.

Carlos Gonzalez Weise, the executive director of FONPLATA, which includes Bolivia, Uruguay, Paraguay, Brazil, and Argentina, said that the agreement signed with OPEC will be expanded in the future.

He added that FONPLATA's negotiations with OPEC represent a new policy of this subregional organization aimed at strengthening its resources with foreign financing.

The decision to seek foreign financial resources was adopted during the last FONPLATA meeting of governors held in Santa Cruz de la Sierra last December.

Gonzalez Weise added that a credit agreement was also signed with the Andean Development Corporation (CAF) for the same purpose, and that he expects an agreement will also be signed with the EEC late this year.

South American Youths Meet, Issue 'Manifesto'

PY1406162888 Buenos Aires TELAM in Spanish 1422 GMT 14 Jun 88

[Text] Formosa, 14 Jun (TELAM)—Political youths from five South American countries have criticized the current system of government in Paraguay, saying that the so-called Paraguayan democracy, of which Alfredo Stroessner boasted at the United Nations, is a fallacy and a cheap lie.

This is the opinion of representatives of the Intransigent Party [PI], the Popular Socialist Party [PSP], the UCR, the Justicialist Party [PJ], and the Democratic Socialist Party [PSD] of Formosa, Argentina; the Free-Bolivia Movement [Movimiento Bolivia Libre]; the Christian Democratic Party [PDC] of Chile; and the People's Government Party [Partido por el Gobierno del Pueblo] and the Socialist Party [PS], both of Uruguay. These representatives participated in a southern cone democratic youth meeting in Asuncion last weekend.

Martinez [PSD member] emphasized that the Manifesto of Asuncion was drawn up during the meeting. In this document, the participants agreed on some problems that are common to our countries such as the foreign debt issue, the drop in the prices paid for our export products, the deterioration in trade terms, and the increasing economic, social, and cultural neglect of thousands of Latin American youths.

The existence of common aspirations which, in the long term, will contribute to the national democracies, helping them to affirm themselves and to make human rights and popular participation respected, became apparent, the young Formosa politician added.

Martinez said that the South American political youth unanimously committed themselves to support regional and continental integration and to unreservedly and unconditionally support the struggle of the Chilean and Paraguayan peoples to democratize Latin America, which is the first step against imperialism and dependence.

Martinez announced that an international forum to support the struggle of the Paraguayan people for democracy in that country would be held in Formosa soon within the framework of direct actions against the Paraguayan dictatorship.

Cuba

Economic Official Meets With Italy's Andreotti

FL1606204888 Havana Radio Reloj Network in Spanish 1949 GMT 16 Jun 88

[Text] Italian Foreign Minister Giulio Andreotti met in Rome today with Raul Taladrid, vice president of the State Committee for Economic Cooperation, CECE. Andreotti and Taladrid affirmed the existing positive bilateral relations and analyzed matters of mutual interest. In light of the results of the annual joint commission meeting, which ended yesterday after 3 days of sessions, they confirmed the strengthening of bilateral ties, among other things.

The Italian foreign minister and the CECE vice president addressed the issue of development cooperation Italy is providing and continues to provide to Cuba and talked about financing of trade. The importance of these issues was underscored by the two officials. Andreotti and Taladrid expressed their appreciation for the continuity of the Cuban-Italian joint commission's annual meetings and considered them evidence of the reciprocal will of the two countries to increase relations.

Namibia, C. America Discussed

AU1706093288 Rome ANSA in English 0822 GMT 17 Jun 88

[Text] (ANSA) Rome [no date as received]—Italian Foreign Minister Giulio Andreotti on Thursday met with the vice chairman of the Cuban State Committee for Economic Collaboration, Raul Taladrid Suarez, here for the sixth meeting of the Italo-Cuban Joint Economic Cooperation Committee.

A communique from the Foreign Ministry said both Andreotti and Taladrid Suarez expressed their satisfaction for the positive results achieved during the committee's sessions which allowed for the defining of several cooperation projects in the agricultural, chemical and health sectors.

Andreotti and Taladrid Suarez were also said to have exchanged views on several international political questions, in particular, the situation in Namibia and in Central America.

On the situation in Central America, the communique added, the Italian foreign minister urged significant progress towards finding a solution to this region's problems.

CEMA Meeting on Aviation Machinery Begins

FL1506012188 Havana Television Service in Spanish 0000 GMT 15 Jun 88

[Text] The fifth meeting of the CEMA bureau branch in charge of civil aviation machine building began today at Santa Maria del Mar's Atlantico Hotel. The high-level meeting will continue through 17 June. It will address the possibility of our country's participation in the joint production of aviation components. This is in line with the agreement reached during the last meeting of chiefs of state and governments of CEMA member countries who decided to help Mongolia, Vietnam, and Cuba to balance their economies.

This meeting is an important foundation for the work carried out by the Cuban Civil Aeronautics Institute with the cooperation of other state organizations, which will result in the manufacturing of aviation parts and supplies in the near future. In this way, from being an importer, Cuba can become an exporter.

Further on Meeting

FL1506174588 Havana Tele-Rebelde Network in Spanish 1100 GMT 15 Jun 88

[Text] The fifth meeting of the CEMA bureau branch for the building of machinery continues its sessions today at the Palace of Conventions in Havana.

One of the subjects to be discussed at this meeting is the production of aircraft parts and components in Cuba with the cooperation of member countries of the CEMA branch bureau. The work agenda for the meeting, which is being held in Cuba for the first time, also includes a discussion on preparations for building IL-96 serial number 300 and Tu-204 planes. The corresponding development programs for the production technology of those planes will also be discussed.

The delegates are also examining matters regarding the agreements on the selection of the work to be done until the year 2000. The meeting will end on 17 June with the signing of the corresponding cooperation protocol.

Views on New Penal Code, Changes Presented

FL1606023088 Havana Television Service in Spanish 0000 GMT 16 Jun 88

[Report by Richard Clenton]

[Text] The new Penal Code became effective in our country on 30 April. It has been said before that this is not merely a new code but that it also includes considerable changes to the present one. [sentence as heard] What do our people think about it?

[Begin recording] [Unidentified speaker] There is a certain skepticism in the streets. People wonder if the changes in the Penal Code will bring about an increase of criminal activity. Personally, I believe that it is better to educate than to punish. From this point of view, I believe we have done a good thing.

[Second speaker] I don't know. There are certain things I do not understand about the Penal Code. Sentences for many crimes which I believe should not have been shortened have been reduced. They should have remained the same.

[Third speaker] People have not truly understood how it is. Apparently people have not understood how it is and now continue committing more crimes and behaving as they please. They are [words indistinct] in buses because I believe people have not really understood the Penal Code.

[Fourth speaker] I agree with it in part. But I do not agree with many things. For example, thefts are committed in work centers. As the comrade said, the individuals who commit them only get fines.

[Fifth speaker] The new Penal Code has its pros and cons. There are crimes that should be punished more harshly and are punished with fines and there are other crimes that are more dangerous and are not punished the way they should.

[Announcer] Enforcement of the code will allow a better correlation between the seriousness of the crimes and the individual penal corrective action.

[Haroldo Lores, chief of penal cases at the Attorney General's Office] Our population needs to know that the changes to the Penal Code have not entailed, in all cases, reduction of the limits of sanctions which had been established previously. Sanctions for a group of serious crimes have remained practically the same. There is another group of crimes that are also extremely serious for which sanctions have become even harsher. Among them, we could cite, for example, aggravated robbery, rape, crimes against law enforcement agents, attempted murder [atentado], resisting arrest [resistencia], and many others.

Another thing that needs to be explained is the fact that the crimes that have been depenalized are those that do not have a high degree of danger or crimes that, for all practical purposes, do not happen in our society. Loss of freedom is the sentence established most of the time for crimes that are most frequently committed, such as thefts and robberies. Fines are established as an alternative to loss of freedom only in some cases. It is applied precisely in those cases in which the value of the stolen article is really low. In many cases a fine is established for those who are not repeat offenders. [end recording]

Caricom

Health Ministers Discuss AIDS, Toxic Waste

FL1406142588 Bridgetown CANA in English
2157 GMT 11 Jun 88

[By Vashty Maharaj]

[Text] Port-of-Spain, Trinidad, June 11, CANA—Caribbean Community (Caricom) health ministers have ruled out compulsory testing of visitors for the disease AIDS. At a two-day meeting here, the ministers also agreed to urge their government to develop national plans for the control of the disease which destroys the body's immune system.

At a news conference on Saturday, conference chairman Dr Emmanuel Hosein said the region as a whole is probably the one region in the world that is ahead in preparing national and regional plans on AIDS. ...On the world scene the Caribbean region can be viewed as being one of the most honest area of the world in terms of determining the incidence of AIDS and accurately reporting that incidence...Hosein said.

Despite this, however, he and his fellow ministers for health expressed dissatisfaction with the media coverage of the AIDS issue. Hosein was particularly disturbed by what he termed the sensationalism in the reporting on AIDS in the region. The facts are significant enough, sensational enough without sensationalism. The realty is that we have a serious problem, there is no doubt about it, he added.

Accompanying Dr Hosein at the conference were health ministers for St Kitts/Nevis, Sidney Morris, and for Grenada, Daniel Williams, as well as Caricom Secretary General Roderick Rainford. Morris of St Kitts spoke of the need for public education so that people can be encouraged to act more responsibly. He noted that AIDS was a fearsome disease but if it was overplayed by the media then the region would be putting a noose around our necks economically, particularly in the countries where one is promoting tourism. Grenada's Minister Williams suggested that it was time to shift focus to how to cope with the disease.

The ministers also recommended that governments:

Ensure that testing done in each country is done in labs approved by government and with the informed consent of individuals,

Ensure the availability of counseling before and after testing,

Prepare a method of request and reporting that ensures confidentiality,

Identify high risk groups and provide appropriate health education for them,

Develop the means to expand the availability of counseling to AIDS patients, partners and family, and

Make every effort to preserve the human rights of infected individuals in terms of educational opportunities, job security, travel, housing and related areas.

Two projects for counseling and education and for the obtaining of support for laboratory operations were endorsed by the meeting, to be implemented by the Caribbean Epidemiology Centre located in Trinidad.

On the issue of the dumping of toxic waste, the ministers recognised the need for the region to adopt a common position and agreed to take steps to prevent the disposal within the region of hazardous waste from outside the

region, to cooperate in monitoring the movement of all waste across international boundaries in the region, to encourage the use of low or no waste technology, and to initiate training in the management of hazardous wastes.

On other subjects, the ministers reviewed the Caribbean Cooperation in Health Initiative (CCH), devised to identify and develop projects and programmes in the region and nationally in six priority areas of health, and to mobilize resources for their implementation. Some US20 million dollars of a projected requirement of US100 million dollars has already been sourced and on the point of being secured, the ministers were told. The six areas of priority are environmental protection, human resources development, chronic diseases including accidents, strengthening the health system, food and nutrition, maternal and child health including population issues. AIDS was adopted as a seventh priority.

The ministers also requested that studies be renewed on the feasibility of a scheme for the pooled procurement of pharmaceuticals at the Caricom level, and directed that a technical group of experts from member states and relevant regional bodies be convened for the purpose. A regional scheme of examinations for nurse registration was also reactivated by the meeting.

Haiti

Armed Forces 'Temporarily Rescind' Measures

FL1606164088 Port-au-Prince Radio Nationale in French 0100 GMT 16 Jun 88

["Text" of press release issued by the Armed Forces General Headquarters on 15 June]

[Text] The High Command of the Haitian Armed Forces announces that since certain administrative measures taken on 14 June 1988 regarding Armed Forces officers were intentionally made the object of speculation and malicious interpretations, it was decided, following a meeting between the president of the Republic and the minister of national defense, armed forces, military service, and civic service, to temporarily rescind the said measures.

The Haitian Armed Forces High Command wishes to reaffirm the institution's unreserved loyalty to the nation's government within the framework of the dispositions of the Constitution and the law, as well as its determination to participate in the overall development program of the government of the Republic.

[Signed] Colonel Gary Leon, O.A. [administrative officer], Haitian Armed Forces, Secretary General of the General Staff

Merchant Comments on Anticontraband Measures

FL1606170088 Port-au-Prince Radio Metropole in French 1600 GMT 15 Jun 88

[Text] Things have been going very bad for commerce in Haiti for some time now. The recent measures taken by the government to combat contraband are not respected and are not applied, Port-au-Prince merchant Antoine Izmery told us in an interview.

[Begin recording, in Creole] [Izmery] The measures the government took against contraband? I see only one measure that they have taken: talking over the radio. I don't see what else they have done. They say they have sent people here and sent people there, but contraband goes on like it always has. There have been no positive results.

[Reporter] Mr Izmery, would you merchants really like to see contraband stop?

[Izmery] Commerce as a whole, yes. But there are also people who take advantage of contraband. There are people who cannot afford not to, because business has been bad since 1986. Contraband became rampant in Haiti. Many people would have gone bankrupt. Thus there are people who have had to engage in a little contraband too, in order to scrape by. But I don't think that is what most merchants want.

There are people who respect themselves and who are trying to hang in there—such as ourselves—and who refuse to participate in contraband to any degree whatsoever.

[Reporter] In your opinion, Mr Izmery, what truly effective measures could they take to put an end to contraband?

[Izmery] Arrest the contrabandists! It is, after all, against the law! There is no doubt about this. Enforce the law. Arrest those engaging in contraband and seize the ships bringing it in.

I have heard customs people saying that merchandise has gone through customs and that duties have been paid. How about when someone unloads 1,000 bags of rice, pays duties on 100 bags, and gets his merchandise out of customs?

Besides, there is a law, a customs code requiring that all ships be inspected by the national port authorities. All vessels should be unloading in Port-au-Prince, so that they can be inspected. Lots of measures could be taken—but effective measures, measures in good faith!

There are several facets to contraband, such as smuggling things onto the boat and using fake documents. I believe it was JOURNAL DU COMMERCE that recently showed a bill of lading showing the cost of herring as $7.00, whereas its real cost is $10 or $10.10. That, too, is contraband. This is the fault of the Department of Commerce, which issues import permits without verifying prices and without inspecting. Then someone else,

who ordered the stuff at $10 or $10.80, depending on the season, gets inspected! Thus, there is wheeling and dealing from within the government too. [end recording]

That was Antoine Izmery, discussing the measures taken by the government against contraband. This merchant feels the measures have failed.

Jamaica

Manley on Relations With U.S., Foreign Policy

FL1606030088 Bridgetown CANA in English 2145 GMT 15 Jun 88

[Text] Kingston, Jamaica, June 15, CANA—Michael Manley, who as Jamaica's prime minister in the 1970's quarreled bitterly with the United States, on Tuesday night repeated his expectations of much better relations with Washington if he is returned to office in imminent elections in Jamaica. There has been a very substantial rapprochement with the United States, Manley said during an interview on state-owned Jamaica Broadcasting Corporation (JBC) television.

Manley was the guest on the JBC's round table talk show, answering questions from host Ronne Thwaites on the policies of the opposition People's National Party. The opposition political leader is to be on the programme again next week.

Manley followed Prime Minister Edward Seaga who was recently the guest for three successive weeks; elaborating on government programmes he announced in his budget presentation and outlined in accompanying documents.

Manley's PNP is tipped by opinion polls to win the elections that Prime Minister Seaga must call by next April.

If the PNP forms the government, its foreign policy is likely to come under close scrutiny from Washington, given the problems of the 1970's. The PNP government then earned the ire of Washington for its aggressive pro-Third World positions, its democratic socialist policies and the close relationship it developed with Cuba and other communist countries. The conservative Seaga, who came to office in 1980, has pulled Jamaica close to the United States.

However, Manley has been stressing strongly in recent years that the PNP would in the future refrain from a foreign policy that would provoke the U.S. The PNP has said that it would renew diplomatic relations with Cuba, broken by Seaga in 1981, but would not have the kinds of cooperation agreements that brought Cuban doctors and construction workers here in the 1970's.

The PNP leader re-stated this position Tuesday night and pointed to regular contact by himself and other PNP officials and both Republican and Democratic political figures in Washington.

Manley noted particularly a meeting between himself and U.S. Secretary of State George Shultz. Additionally, he pointed to a recent statement by the head of the State Department's Caribbean desk, David Zweifel, that the U.S. would play no favourites in an election here and that Washington would work with any administration in Kingston.

We have worked carefully on where we are, what it is we are thinking and where it is that we want to go, Manley said.

Among the issues that helped to fuel PNP quarrels with Washington in the 1970's was Manley's strident criticism of the International Monetary Fund (IMF) with complaints that its policies were against poor developing countries. In 1980 Manley broke negotiations with the IMF for a new support agreement, proferred an alternative course and called elections one year early. He declared in this week's television interview that the PNP would work with the IMF if it come to office.

Unequivocally yes. Yes we would deal with the IMF, he said, adding that the PNP would come to office with an IMF agreement in place.

Manley said 1980 was a special case. Then, close to an election, the Fund was forcing on the government a programme it was bound to fail and not taking into account circumstances outside everyones control that contributed to the failure of previous performance tests, Manley said.

While ready to work with the IMF, Manley stressed that a PNP government would also be ready to negotiate on points of an agreement it felt needed altering. In any event, Manley said, the IMF of today had made perceptible changes in its approaches. Time passes, there is beginning to show certain changes in IMF methodologies, he said. According to the PNP leader, the fund was showing greater flexibility in structuring programmes, typified by packages it had worked out especially with Mexico.

Manley also said that while Seaga had ridiculed the PNP's critique of the IMF in government he had come with some of the same analysis of the fund. We are heartened that he has come to realise that we were correct, Manley said.

The former prime minister was also confident of a growing international awareness of a need for a multinational approach to tackling the debt problem, pointing to recent initiatives by France and West Germany to write off some of the debts of the poorest countries and action in this direction from Britian. There is a great opportunity in the world now to start to address the problem, Manley declared.

Seaga Rejects Regional Stock Exchange

FL1506143788 Bridgetown CANA in English 1807 GMT 14 Jun 88

[Text] Kingston, Jamaica, June 14, CANA—Jamaica's Prime Minister Edward Seaga says his country is not yet ready for a regional stock exchange—an idea being strongly promoted by his main political opponent, Michael Manley.

Seaga, in a speech on Monday night, suggested that Manley's call for the Caribbean stock market was rooted in visions and grand designs.

Said the prime minister: Those of you who have been engaged over the years in intra-regional trade and attempts at making investment in other Caricom countries will know that a Caricom stock market based on the freedom of movement of foreign exchange is an idea which has been in circulation for some time, but whose time has not yet come for Jamaica.

Jamaica, he told a function launching Exporters Week, had to still exercise the utmost care and caution in the management of our foreign exchange. He said that Jamaica foreign reserve balance of minus U.S.375 million dollars at the end of March would take at least three years to bring back to any significance.

Manley's Peoples National Party (PNP) has often accused the present administration of showing no inclination of deepening the regional integration process. It has charged that Seaga had moved Jamaica away from Caricom (Caribbean Community), a trade and functional cooperation grouping of 13 former British colonies in the region.

Manley, who as prime minister was one of the signitories to the Caricom treaty in 1973, has pledged to work for a rebuilding of the community if his party is returned to power in general elections, expected later this year. The PNP leads in opinion polls. Manley has repeatedly called for a Caricom stock exchange to allow for a movement of capital and a rationalisation of industries in the region.

He has said that a PNP government would also push for a limited Caricom citizenship to accommodate easy repatriation of profits, as well as for other underpinning elements such as changes to existing alien landholding laws and double taxation treaties.

Seaga, in a clear barb at Manley's known position of a broad Caribbean strategy for development, said that while his government supported closer economic cooperation with the region we have to guard against a return to the days of pie-in-the-sky objectives when so-called visionary thinking assumed the ascendancy over rational thinking. This, he said, had totally ignored the realities of intra-regional trade and investment.

We are beginning to see once more signs of the great conceptualistic approach rooted more in visions and grand designs than in the realities of our times and circumstances, Seaga said.

According to the prime minister, it was this approach which led to a situation in which Jamaica's foreign exchange reserves had moved from a positive U.S.161 million dollars in 1971 to minus U.S.532 million in 1980—the year the PNP left office.

His Government was having success in building back the international reserves, Seaga said. The odd thing is that all sorts of ways are being dreamed up to spend the resources which are just beginning to be realised, the prime minister declared.

Seaga said that while Jamaica's economic recovery was widely recognised as nothing short of a miracle, it was still fragile and could easily disappear. And so we advocate is a reasoned and measured approach to deepening the process of economic cooperation within Caricom, he said. He pointed to Jamaica's role in developing with community partners a Caricom enterprise regime—the frame under which regional countries can cooperate in joint ventures either at the state or private sector levels.

But even in this Seaga was cautious, saying that though progress had been made, much more thought needs to go into this concept. He said that Jamaica had spent the past seven years cleaning up its own public enterprises, returning them to profitability. Some state companies have also been sold.

We therefore have to be very careful lest we find ourselves cleaning up our own public enterprises and ensuring they operate profitably, while on the other hand involving ourselves in international public enterprises—when the Caricom enterprise is of a public nature—before ensuring that the prerequisites of management, marketing, and productivity are in place. Without these elements any enterprise would quickly run into trouble, the Jamaican prime minister warned.

Jamaica was also cooperating with its Caricom partners to review the common external tariff, Seaga said. The Jamaican model of a simplified system of duties on all imports from extra-regional sources was being taken fully into account.

We are therefore committed to work with our Caricom partners on carefully thought out initiatives aimed at enhancing trade and investment intra-regionally, Seaga said. But in the final analysis, Seaga argued, it was Caricom's greatest asset to have a strong Jamaican economy with this country's representing half of the community's market.

When one of the major partners in Caricom is weakened, the entire regional market suffers, Seaga said, adding that the community was only now recovering from the unsettling period when Kingston devalued its currency to correct what he called the excess of the 1970s.

The subsequent devaluation by Trinidad and Tobago was just beginning to bring more equitable conditions to the market place, leading to the eventual removal of all barriers to intra-regional trade. This must be Caricom's most urgent objective, Seaga said.

Added the Jamaican leader: The economic health of Jamaica and Trinidad and Tobago is fundamental to the future of Caricom and so more than ever before we must see that we don't make the mistake of relaxing the need to keep a firm hand on tha Jamaican economy and that we do not indulge in costly gambles.

Troops Arrest 270 People To Ease Unrest

FL1606143788 Bonaire Trans World Radio in English 1130 GMT 16 Jun 88

[Text] Jamaican troops and police arrested 270 people as part of an attempt to ease unrest following the murder of a bus driver. The arrests in the Tiboli Gardens neighborhood are linked to the investigation into the murder last Friday of Jerome White. Mr White was stabbed by a motorist he had cut off on a Kingston street.

Trinidad and Tobago

Labor Leader: Trade Union Unity Not Possible

FL1506163288 Bridgetown CANA in English 1517 GMT 15 Jun 88

[Text] Port-of-Spain, Trinidad, June 15, CANA—Hopes for unity among Trinidad and Tobago's two labour groupings ahead of Monday's labour day have been dashed.

Acting president of the conservative Trinidad and Tobago Labour Congress (TTLC) Selwyn John launched the attack on the more militant Council of Progressive Trade Unions (CPTU) on Tuesday at a TTLC education seminar.

There can be no hope of labour unity with the CPTU. Unity must be meaningful business, John told delegates. We can't talk unity for unity's sake.

John accused the CPTU, who predominant union is the powerful southern-based Oilfields Workers Trade Union (OWTU), of having principals in Cuba who were not satisfied with the pace of moves towards trade union unity in this country. He accused foreign organisations, which he later described as having bases in Cuba and other communist countries, of pumping money into local organisations to undermine the local labour movement.

The run-up to labour day, a public holiday, has traditionally become a period in which the two labour groupings make overtures towards one another about achieving labour unity by the following labour day.

Each year, however, the lack of unity is shown up by the separate venues used by the two groupings to mark such activities. Last year, for the first time in many years, the TTLC moved its celebrations to Fyzabad, the home of the OWTU, where CPTU celebrations are held each year to mark the point where 1937 labour/government clashes were most violent.

Responding to Johns accusations, Cecil Paul, general secretary of the CPTU and OWTU vice president, denied that there was any outside interference in his union. Paul said that, as part of the World Federation of Trade Unions (WFTU), the CPTU often received money for projects. [Words indistinct] stating that the CPTU had good relations with trade [words indistinct].

[To] organisations all over the world, Paul offered up the accounts of his union grouping for scrutiny at anytime.

Costa Rica

Government To Protest Panamanian Overflights

PA1606185788 Panama City ACAN in Spanish 1650 GMT 16 Jun 88

[Text] San Jose, 16 Jun (ACAN-EFE)—Today the Costa Rican Government will send a protest note to Panama for the supposed overflight by Panamanian aircraft over the Costa Rican sector of Laurel, an official source said today.

Public Security Minister Hernan Garron said he had received complaints from people living in that border area who said that armed Panama Defense Forces helicopters have penetrated Costa Rican airspace.

Garron recalled that a little over 1 month ago he spoke by telephone to the commander of the David (northern Panama) garrison and expressed concern over these air incursions. The Panamanian officer reportedly promised to speak with the pilots to prevent a repetition.

Nevertheless, the overflights continued in the last few days, according to reports of people living there, he said.

Garron said the aircraft overfly the border area in a supposed search for armed groups opposed to the Panamanian Government. He said the Costa Rican civil guard is constantly patrolling the region and has not discovered any strange movements.

El Salvador

Ungo: Democratic Merger To Run in Elections

PA1606182688 San Salvador Canal Doce Television in Spanish 0300 GMT 16 Jun 88

[Text] Today in Panama FDR leader Guillermo Ungo announced that the three parties comprising the Democratic Merger will participate in the forthcoming Salvadoran presidential elections. Speaking during a news conference, Ungo pointed out that the parties will participate in the elections even though their victory will not be recognized if they win.

Ungo said the country is currently experiencing a government crisis as a result of President Jose Napoleon Duarte's serious illness and because acting President Rodolfo Castillo Claramount lacks credibility. Ungo feels Castillo Claramount lacks Duarte's skill in handling the Army as well as the various political groups, including the Christian Democratic Party.

Regarding the participation of the Catholic Church in the crisis, Ungo said the role played by Archbishop Arturo Rivera y Damas merits the trust and credibility of the conflicting parties.

Guatemala

Army Denies Uprising at Chimaltenango Base

PA1606195488 Guatemala City EL GRAFICO in Spanish 14 Jun 88 p 2

["Topic of the Day" column]

[Text] A source from the Army Information Department, DIDE, has emphatically denied an uprising has been repressed at the Chimaltenango military base and that nine people were killed as a result.

An official spokesman denied any such situation, adding that after controlling a show of "insubordination" on 11 May, everything is calm within the Armed Forces, which are loyal and support the administration.

However, information leaked from the military installations located in the central-western area of the country states that not only was there an uprising but that it was violently suppressed.

The reports added that the uprising took place 10 June and that the troops loyal to the Army hierarchy and to the government uncovered the involved individuals at night when they were about to begin their plan, and they were immediately controlled. The reports added that nine people had been killed: two officers (including one Major Soria), and seven soldiers, and their equipment was turned over to those who "carried out the defense."

It is interesting to point out that after the 11 May military uprising at the Jutiapa and Retalhuleu bases, several members of the military have been arrested and some civilians have been interrogated by the government on charges of being involved. Rumors are also circulating about other "uprisings." LA EPOCA, which was the target of a terrorist attack, reported on 27 May that an uprising at the Tactical Group had been quickly controlled.

Cerezo: Groups Trying To Provoke Army Unrest

PA1706033688 Guatemala City Cadena de Emisoras Unidas in Spanish 0100 GMT 17 Jun 88

[Text] Today Guatemalan President Vinicio Cerezo said that there are radical, fascist, and antidemocratic groups in Guatemala that are trying to return the country to a violent past. This situation is being investigated and as soon as sufficient evidence is found, those people will be brought to trial, he said.

This morning President Cerezo said that there has been no military coup attempt since 11 May, when an effort was made to destabilize the regime. He said that his government remains firm in guiding the nation and implementing its work plans.

In spite of unrest [as heard] in the government and of no further attempts to overthrow the current authorities, there are groups of people who sometimes try to provoke unrest in

the Army, the president said. Cerezo said that full development can be achieved in the country only in a climate of national security and unity. We are working to produce such a climate and to promote a search for national objectives, he said. Cerezo added: There is no reason for confrontation. If we are not satisfied, Congress and elections are the means through which to change things.

Control Restored

PA1706041388 Panama City ACAN in Spanish 2018 GMT 16 Jun 88

[Excerpts] Guatemala City, 16 Jun (ACAN-EFE)—Today Guatemalan President Vinicio Cerezo acknowledged that his government was "unstable" for 1 month after the attempted coup on 11 May.

During an impromptu news conference in the reception hall of the Presidential Palace, the Christian Democratic president said: "I have visited the garrisons and can assure you that the Army is now fully in control." [passage omitted]

Cerezo stated that the attack on the premises of the Soviet news agency TASS in May and the fire bombing of the offices of the weekly LA EPOCA and the ACEN-SIAG news agency on 10 June were carried out by "antidemocratic fascist groups." [passage omitted]

Suspects Released; Coup Attempt Trial Continues

PA1606225288 Guatemala City Cadena de Emisoras Unidas Spanish 0100 GMT 16 Jun 88

[Text] Former officers Gustavo Adolfo Diaz and Edgar Giovani Estrada Porfirio, who have been accused of participating in the 11 May attempted coup, have been released after spending several days in prison. The officers were released by the fifth judge of the first summary court. However, they were freed on their own recognizance. This means they are subject to the court's commands and they cannot leave the country.

At the courthouse, it was reported that today the fifth judge of the first summary court opened a formal hearing of well-known politician Mario Castejon, but not of the other four civilians involved in the 11 May attempted coup d'etat. The legal status of Mario David Garcia Velazquez and Gustavo Alfredo Vielman, both former CAN [Nationalist Authentic Central] presidential candidates, and Nicolas Buonafina and Danilo Roca remains unresolved. The five civilians are being tried for participating in the 11 May 1988 attempted coup d'etat.

Honduras

Foreign Minister Meets With Mexico's Sepulveda

PA1606232888 San Pedro Sula TIEMPO in Spanish 16 Jun 88 p 26

[Press communique No 053-88 issued by the Press and Information Directorate of the Foreign Affairs Ministry in Tegucigalpa on 15 June]

[Text] Honduran Foreign Affairs Minister Carlos Lopez Contreras and his Mexican counterpart, Bernardo Sepulveda Amor, met in Mexico City on Monday, 13 June, to discuss the regional situation and to review bilateral relations between Honduras and Mexico.

During the meeting, which lasted 3 hours, the foreign ministers talked about the regional situation, the peace process in the countries that have been adversely affected by civil wars, and prevailing tensions. They also discussed the Contadora Group's contributions, the efforts made to bring peace to Central America, and the contribution made by the Mexican Government in support of the peace process and in support of political solutions to the crisis.

In addition, the foreign ministers reviewed Honduras' important participation in the Central American peace process. Honduras' contribution strengthened the efforts that resulted in the processes to establish a firm and lasting peace in Central America, in which the Contadora Group has played a special role.

As for bilateral relations, the foreign ministers studied the possibility of increasing Honduran exports to Mexico in order to reduce Honduras' unfavorable trade balance with Mexico. Likewise, they agreed to establish more intensive cooperation in the development of tourism and the production and marketing of handicrafts.

Foreign Affairs Minister Lopez Contreras invited Mexican Foreign Affairs Secretary Sepulveda to visit Honduras, which the latter accepted. The date for the trip to Honduras remains to be set.

Carlos Lopez Contreras traveled to Mexico to meet with Sepulveda after accomplishing his mission at the International Court of Justice at The Hague, which is settling the border differences between Honduras and El Salvador and reviewing the lawsuit filed by Nicaragua against Honduras.

During the foreign ministers' long talks, the following people were present: Alfonso V. Rosenzweig-Diaz and Manuel Rodriguez Arriaga, Mexican deputy foreign affairs secretaries; other top Mexican Foreign Affairs Secretariat officials; and Honduran Ambassador Jose Ayax Zuniga Tellerias. Foreign Minister Lopez Contreras returned to Honduras on Tuesday, 14 June.

Tegucigalpa, 15 June 1988

Press and Information Directorate

Foreign Affairs Secretariat

Nicaragua

Ortega on Energy, Economic Measures, Contras

PA1706005088 Managua Domestic Service in Spanish 2046 GMT 16 Jun 88

[Speech by President Daniel Ortega at a "Face the People" program at the Sanitary Products Co. of Nicaragua, Prosan, in Managua—live; broadcast in progress]

[Text] ...in foreign exchange. We do not have that kind of money. We could, with huge efforts, give you 1 million [currency not specified] today, or 2 million tomorrow.

This would affect our ability to buy raw materials for other areas of production. We know if there is no energy everything is paralyzed.

We are going to ask Comrade Emilio [Rappaccioli, minister director of the Nicaraguan Energy Institute] to work on and prepare, in the next few days, a study of our country's energy system.

A study was made recently, but a new one is necessary because our energy situation is in such a critical state that it is necessary to prepare a more dynamic plan that should be more in line with the emergency.

Comrade Emilio could tell us: Because of our limitations, there will be energy cuts in such and such an area at such and such a time. If this could be guaranteed, then everybody could plan their hours of production. At this enterprise, if you were informed that there will be power outages from 0800 to 1700, then you could determine what has to be done to substitute other hours for those morning hours, because it would be clear to you that it will not be possible to start work at that time.

Comrade Emilio must be able to quickly establish communications with the production sector, because he may have to say: There will be power cuts from such and such a time in such and such an area. Then enterprises in that area could prepare for that. We are going to find ways to have energy in productive areas. We have to explain to other sectors that are important, but not essential, that they must understand they will not have energy for certain periods of time.

There must be good communications because there could be unscheduled outages. The contras are always there. They continue attacking. They continue to blow up power poles. In recent operations they blew up power poles and they have killed and kidnapped people.

The Yankee administration is interested in continuing the war. If there is an unscheduled power outage, the affected people must immediately be told: This outage will last 4 hours or 5 hours. This way the people in the area will be at ease knowing that the outage will last for that long and they will not be waiting for power to return at any minute.

We must plan how to use our energy during the country's current critical situation.

You have brought up problems linked to supplies and salaries. I have to admit that your salaries are not good salaries, but there is a high degree of awareness among you because in spite of the fact that salaries are not good, you have remained in your jobs. There are some comrades who have been working here for 15 or 18 years. They are innovators who are here despite the fact that they have 17th-level salaries. This shows they have a high level of awareness.

Once I talked with a vanguard worker who works in a textile mill. She makes 300 cordobas a week—1,200 a month. That salary cannot meet the essential needs of that comrade and her children. Sometimes they do alright because her mate also works, but still it is not enough. Cases like this put pressure on supplies because everybody has to eat, and we are just talking about the food problem; forget clothes, shoes, etc. Having a salary to satisfy food needs is a problem because of the graveness of the country's economic situation because of the war the United States has imposed on us, because of the damage this war has caused.

Our recent decision to make SNOTS [National Labor and Wages Organization System] more flexible by providing incentives has to result in better salaries. Salaries will increase as productivity increases.

What some enterprises do to get food for their cafeterias or their employees' store is to buy products directly from the enterprises that produce them. This brings prices down because there is always speculation. On other occasions, enterprises have to resort to the speculative market. This will make products more expensive. We have mentioned as an example the cost of Prosan products. They leave this enterprise costing 50 or 60 [currency not specified]. They are sold at [words indistinct] at 80 or 120. Their price on the speculative market is 500. It is the speculators who are making money from your efforts. You will have to estimate prices and ensure that your product's price is correct. You will have to establish the product's real value. This will provide you with a fair profit and allow the people to obtain this product. Prices fixed this way should be prices that will make it difficult for speculators to further raise prices.

We cannot end speculation by a police order or legal decree; speculation is fought by producing. When there is much production then there is no room for the speculator. If there is a great supply the price goes down. If the product is scarce, the price goes up and the speculator steps in and sets an even higher price because he knows there are a great number of people who want to buy that product—many cordobas chasing that product—so they raise the price.

Therefore, speculation must be done away with, using the police and legal means, but mostly with social control and with greater efforts to guarantee the sale of products. The product must be sold at its real cost. If the product is worth 100 then it should be sold for 100, leaving no room for the speculator to move in and make a profit. This allows the enterprise a bit more profit to improve the laborers' working conditions.

Those enterprises that are not doing well must start by reviewing their bookeeping. How are the accounts? Enterprises that do not have their books up to date cannot determine their costs. Those enterprises must join forces with their employees and update their bookeeping. If they

are not up to date how are those enterprises going to calculate costs? Either the costs will be too low or too high—unreal costs. Things must be priced correctly.

With these measures that have been in effect since February, it is also important that people who belong to the opposition—who oppose this country's revolution, who oppose Nicaragua, who oppose the workers—those people who benefit from these measures, as the comrade was saying, understand that the fact we are taking these measures does not mean that the revolution is making a political or ideological concession. It does not mean that the revolution is encouraging a return to capitalism. What we are doing here is implementing economic mechanisms to seek greater efficiency and productivity, under very difficult economic circumstances in this country. We are not going to allow, we are not going to allow [repeats himself] a private producer, with an antirevolutionary mentality, to try to sabotage the efforts of the working people because that private producer [applause], because that private producer [repeats himself] never supports the revolution because of his counterrevolutionary mentality.

Here we must differentiate. We have thousands of private enterprises—small, medium, and even large farmers—that support the revolution. However, there are some private minority groups—COSEP [Higher Council of Private Enterprise], those belonging to the CIA's newspaper, those of some opposition parties—that are not on the workers' side, that are not on the side of the revolution. And if the revolution does like it as it did at the beginning and implements subsidies, gives subsidies to workers, and organizes the distribution of basic goods at fixed prices to the workers, then criticism against the revolution would begin: It is bad to subsidize the workers; it is bad to ration distribution, because these groups also have to guide themselves by what the ration card indicates in order to get products. Therefore, these groups criticize every measure that the revolution uses at a given time. They criticize the subsidies of education, health, transportation, food, and even of salaries. However, we had an enormous subsidy policy, which we are reducing.

The policy of subsidization is not disappearing. We are reducing subsidies and creating a less far-reaching policy to continue protecting the workers, who are the basic force of this revolution. I will not tolerate or allow people who once criticized the revolution's actions to question our efforts now that we are adopting measures to defend the economy in times of great difficulty. Some of these people are rejecting the measures through the CIA newspaper. They are saying the measures will only harm the workers, when we all know very well that harm comes to the workers from the Yankee administration and Ronald Reagan. The Yankees are the ones harming the workers, but our critics want to blame the revolution, the government, the FSLN. They say the poor workers must buy more expensive products, but their salaries are low. They create demagoguery out of a fact: namely, that our prices are high and our salaries low.

I am certain that if the workers employed at these COSEP people's firms were to go on strike and demand that all of the business' assets be distributed among the workers, the owners would not like it. If the employees were to say that the owner of the business could go to hell and the workers would own the business, you would hear them raise the roof. They are rabble rousers who are never satisfied. The only way to satisfy them is to bury them once and for all. That is what they want. They want the revolution to totally bury them and not give them the opportunity they have been afforded to produce efficiently and patriotically. [applause] Those people must be aware that we are taking our measures to the limit of this revolution's political and ideological possibilities, and that if they do not respond by producing, if they do not respond positively, if they continue with their antipatriotic, counterrevolutionary attitudes, they should not cry when we are forced to adopt measures we do not want to adopt at this time.

These right-wing, pro-Yankee fascists who are the workers' enemies should not lose sight of the fact that the Nicaraguan people, the workers and peasants, have sufficient reserves to continue to confront the Yankee aggression. They believe that because there is a crisis, a difficult economic situation, and because certain measures have been adopted, the revolution is weak, the working classes are hesitant and willing to turn back, and the revolution is about to regress. They do not seem to realilze that the revolution has inexhaustible reserves, and among these inexhaustible reserves is a desire to beat and to sweep entirely out of our political and economic way all those who do not accept this opportunity I am offering them today with these economic measures. [applause]

We cannot allow them to play with the people's needs and hunger, with the country's material and economic limitations, and with the people's lives in this irresponsible and criminal way. The people who write for the CIA newspaper, the owners of the CIA newspaper, those who are organized in the COSEP and other right-wing groups and political parties are playing with fire. They should not even imagine that the measures adopted are demonstrations of the revolution's weakness. What they demonstrate are the revolution's sound judgment and flexibility.

Peace is being offered to them. They are being given a chance. But if they do not take advantage of this opportunity and do not act accordingly, let them be sure that we will wipe them out. [applause] They can vanish from existence if they do not act in accordance with the patriotism that the country demands. The revolution will not disappear as long as there are workers, peasants, and employees in Nicaragua determined to defend the revolution.

Do not think that because the U.S. Government, Ronald Reagan, Secretary Shultz, General Powell, or crazy man [Elliott] Abrams are launching attacks against Nicaragua and talking about resuming military aid for the contras

that we will yield the basic principles of our revolutionary process. Do not harbor any hopes about resuming military aid for the contras. If the Yankee Congress yields to Reagan's pressure and approves funds for the war against Nicaragua, we are prepared to defeat, once and for all, and completely crush those counterrevolutionaries who turn down the peace that the Nicaraguan people and government have proffered to them. [applause] If we can confront and defeat Yankee aggression on the battlefield, we will also be able to confront and defeat Yankee aggression in the economic arena.

The Nicaraguan workers' disposition and awareness is the most important thing, and this is very well expressed by the Prosan workers who are here. We plan to make more visits to the various productive centers, some of which are in better condition than others. These visits will enable us to experience these conditions and closely observe production, salaries, and prices. In the next weeks and months we will see the effect of raising salaries, taking incentives into consideration. We will also see how high prices will get and the current gap between salaries plus incentives and prices. We will then make the necessary adjustments and take into consideration the concerned remark of a comrade here about SNOTS classifications. We discussed this today. There are a number of poorly classified jobs. We have to reclassify them.

We also discussed the classification of teachers, health workers, and central government employees. We first discussed the classification of health workers and teachers. We took into account that both health workers and teachers render a service to the children of all Nicaraguans, including those of Prosan workers and the workers themselves. When they get sick and have to go to a health center they suffer due to the limitations at those centers. These workers work at a disadvantage. They do not have an incentive because they do not work at production centers where incentives can be used. Incentives can be used here at Prosan and measured against each person's productivity. But it is difficult to use this with workers at health centers or schools.

Consequently, we in the government must take this into consideration and work with truly planned salaries. In this way, we try to help them so they can somehow forge ahead in this difficult time. We will hold a meeting with teachers and health workers to discuss this and give them some kind of an answer.

As for the true salaries at productive enterprises such as this one, we will have to wait a little longer because this measure has just been decided upon. We have yet to observe the effect of incentives in relation to production and the enterprise's ability to market its products. We told the comrade: If you people have certain products at the enterprise that are not being sold in a timely manner, you have to find a way to sell them. In other Central American countries these products are sold to a certain enterprise. If they are not bought by that enterprise, then those products have to be sold on the local market. We have to have a little more dynamic commercial attitude so Prosan can continue to produce several products.

These incentives will give salaries a good chance to improve. Prices are already increasing; we have to study the reaction of different factors—prices, salaries, and productivity—in order to protect workers and guarantee production, and so prices do not rise higher than what is just and reasonable.

Comrades, we end this meeting [words indistinct]. We will contact every enterprise through the institutions that serve them. The specific problems you have brought up at this meeting will be taken into account and will be most helpful in the constant evaluations we will be making.

We have to follow up on our economy just as we follow up on the war. We cannot separate the war from the economy as they are one problem. We have to win the war militarily and economically. We have to win the war that has been imposed on us by imperialism and its domestic allies.

Free Fatherland! [crowd shouts: "Or Death!"]

Holds News Conference

PA1706011388 Managua Domestic Service in Spanish 2121 GMT 16 Jun 88

[News conference held by President Daniel Ortega with unidentified reporters after a "Face the People" meeting at the Sanitary Products Co of Nicaragua in Managua—live; broadcast in progress]

[Text] [Reporter] ...Nicaragua's political-economic situation [words indistinct]?

[Ortega] [Words indistinct] tell them we are defending the economy in the face of Yankee aggression, in the face of the war the United States has imposed on us at every level—economically and militarily. The workers are the ones who are at the vanguard in the defense of the country's national interests. With its domestic allies, the United States is trying to destroy the revolutionary process.

[Reporter] Commander Ortega, what is the impact of the counterrevolutionary request that the Sapoa agreement witnesses [words indistinct]?

[Ortega] The entire attitude of the counterrevolution just reflects the Yankee administration's plan to kill the Sapoa agreements. All of this is a tactical action aimed at totally and definitely killing the Sapoa agreements.

[Reporter] [Words indistinct] a report on the situation [words indistinct]?

[Ortega] You are already aware of the report [words indistinct] that reflects the Nicaraguan Government's political willingness to negotiate.

[Reporter] But [words indistinct] the report?

[Ortega] Well, that is still not [words indistinct].

[Reporter] Will the baseball team make its trip?

[Ortega] Well, we already explained that we are facing a difficult situation and the government cannot pay for it. It will depend on [words indistinct] getting financing to pay for the team's tickets and lodging.

[Reporter] Commander, the counterrevolution has proposed Costa Rican President Oscar Arias as the guarantor of future talks between the Nicaraguan Government and the counterrevolution, practically bypassing the (?Verification Commission).

[Ortega] This is a clear maneuver by the Yankee administration to try to manipulate President Arias and to kill the Sapoa agreements by doing away with the participation in the talks of the verification witnesses, Secretary General Baena Soares and Cardinal Obando y Bravo.

[Reporter] There are several relatives of individuals kidnapped by the contras—they include a comrade who works in the government and whose relative is a kidnapped helicopter pilot—who are willing to go to Honduras. Other relatives say if they could get help from your government or some organization they would go to Honduras to see [words indistinct].

[Ortega] We are willing to help them so they can travel to Honduras. I think the ideal thing would be for this to be done in coordination with humanitarian organizations such as the UNHCR [UN High Commissioner for Refugees] or the Red Cross, which also operate in Honduras. We also have to bear in mind the safety of these relatives.

[Reporter] It is said that political parties will hold a meeting in Costa Rica... [station returns to studio]

On Economic Situation

PA1606123388 Managua BARRICADA in Spanish 15 Jun 88 p 3

[Unattributed article: "To Defend the Economy Is To Defend Power: Daniel Explains Broad Scope of Measures"; passages in boldface as published]

[Text] Economics is very complex, and it is boring to listen to and to discuss. But it is something that exerts pressure on all countries in the world every second, every minute, and every day. Our situation is all the more complex because we have a war that has not disappeared with the peace talks or with the unilateral suspension of offensive military operations by the government.

We are obliged to be creative and to use all our resources to establish an economy that will help us survive in these difficult times that our country is experiencing **when the basic task continues to be the defense of the revolutionary power.**

When the Yankee troops withdrew from Nicaragua in 1932, Sandino said that it was easier to fight an enemy one can see and touch, such as the Yankee intervention, than it is to struggle against an enemy that cannot be touched or seen but that is felt as a result of economic problems.

The War and the Economy: A Single Reality [subhead]

We suffer a little as a result of the dichotomy that exists between the reality of the war and our economic problems for reasons that are related to a lack of political and ideological conscience, which makes us forget the reality of the war and the unjust international economic order.

This tendency exists at all levels because at all levels it is hard to understand that the consequences of the war have led to an economic deterioration. This deterioration is caused not only by the expenditures we have to make to successfully wage the military struggle but also by the damage caused by the Yankee aggression.

When capitalist countries—whether they are fighting a war or not—face economic problems similar to ours, the governments take measures similar to those we are adopting here. But they do not concern themselves with providing the worker who is fired with another job in the city or countryside because job alternatives do not exist. Even if they are not at war and even though they could afford to carry out budget cuts, those countries do not cut one cent from their military defense budgets. There are developing countries in Latin America with capitalist systems that are experiencing a crisis despite the support they receive from developed nations that are interested in preventing their collapse. Although those developing Latin American countries are given support to keep them afloat, they do not have policies that help them develop, because that would go against the big hegemonic interests of imperialism and highly developed capitalism.

We Will Continue Our Revolutionary Plan [subhead]

We created a revolution in Nicaragua in an attempt to reach this point in our development, but we cannot achieve it at this time, because we are now at the stage of defending the revolutionary power. Although we are not defending a capitalist system, we have not established a socialist state either, a state in which private property has ceased to exist.

It has not been for geopolitical reasons that we have avoided taking measures as strong as those taken by Cuba, where private property was abolished. When private property is abolished, also virtually eliminated are political pluralism and unity within the various sectors that comprise a revolutionary plan.

We must set it straight that our situation is not like Cuba's. Cuba is a self-created reality that the United States cannot attack just like that. The United States cannot launch a policy of aggression against Cuba as it does against Nicaragua, although Cuba experienced serious economic difficulties.

We have had trouble in some areas, such as in the 6th Region, where some measures were wrongly applied and peasants were harmed. In that region we laid the revolution's social foundation. We laid this social foundation by talking honestly to those peasants and punishing those responsible for their mistakes. We laid this social basis when we decided to implement an agrarian reform through which to deliver land to the landless instead of taking lands away from small-scale producers. The number of private owners is now larger than during Somoza's time.

We cannot consider measures to abolish private property in this country. We must consider measures that enable us to control and to redirect the economic crisis, to prevent inflation from getting too high, and to restore production in areas where we are most interested in restoring it, because we cannot recover it everywhere.

We Must Maintain Priorities [subhead]

Our situation is so dramatic that we cannot guarantee that companies such as Milca can continue to operate, because their production is not fundamental; that is to say, it is not of such importance that we must protect it at all costs. We must strengthen coffee production, primarily because it represents our largest source of revenue. If coffee plantations are becoming unproductive because of a labor shortage, let those farms be given proper maintenance. It would be preferable to close down Milca and to transfer its workers to those coffee plantations.

We have a demand for more than 8,000 rural workers, but how many laid off workers are willing to go to rural areas to work at Upe Chale Haslam, for instance, as several comrades from other 6th Region coffee farms did recently?

It is a political and ideological problem to make workers think that this is a country at war, that to heed workers' demands is unthinkable, and that we must think instead of increasing production in the most important areas.

Achieve Political Coherence [subhead]

The fact is that we do not have a clear idea of this, because in meetings with different sectors and in different parts of the country there is no coherence in discussions of the economic problem, while coherence is easily achieved when we discuss military matters.

Hence the importance of achieving coherence: a single position on our reality and on where we are going in this phase. We do not intend to eliminate private property; we have seized properties when the owners have ignored our calls for efficiency, and we have confiscated properties when it has been necessary to resettle peasant populations, but the large-scale expropriations for political reasons were done at the time of the triumph of the revolution. Our reality today calls for the existence of small, medium, and some large properties.

We have affected the profits of these producers by taking a portion of those profits through taxes, but Nicaragua has the highest tax rate in Latin America, and we cannot continue raising it. This revenue is used to cover the country's fiscal deficit.

A Fragile Material Base [subhead]

In speaking of that deficit, it should be noted that of the country's 3.5 million inhabitants, 1.1 million are economically active. Another 1 million Nicaraguans are students, whose expenses must be covered from one source or another.

There are 34,000 education workers, 24,000 health workers, and 22,000 workers in the INSSBI [Nicaraguan Social Security and Welfare Institute] working in the CDI [Child Development Centers] and in other government jobs—a total of 80,000 workers who have no direct influence on real production, although their work is linked to that production through services, such as health services. We also have some 85,000 workers in medium and large industries, construction, and banks—services that are very closely linked to production. There are some 120,000 agricultural workers. Thus, we can speak of 205,000 workers linked to real production, among which, in the agricultural sector, there is a high percentage of women and children.

At the base of our economic structure is this labor force of 205,000 workers. All other levels rest on this base. Moreover, this base is weak, because we do not have sufficient resources to keep it working at full capacity.

It is a base that is seriously damaged by aggression and is very unstable, because the workers are mobilized for combat or to serve in the reserves, which means a loss of productivity and of experience. In addition, there are the direct losses from the war and from the embargo, and from the destruction of vehicles, machinery, equipment, and the lives of technicians and skilled workers who have been murdered by the counterrevolutionaries or have fallen while fighting them.

Therefore, this is a fragile base that has to support the 210,000 [as published] defense, health, education, and administrative workers. This base is not prepared to resist, because it has been seriously affected by aggression. If we possessed high technology and timely and stable resources, we could resist and we could even generate riches that would ensure high salaries for the workers in defense, health, education, and administration—but these conditions do not exist; therefore, we have a fiscal deficit that cannot be reduced any more.

We Must Win the Ideological Battle [subhead]

This means it is not possible to respond to the aggressive requests of the workers demanding higher salaries, more supplies, and improved living conditions; it means we have to strengthen their political and ideological awareness to win a battle that can only be won in this way, because it is not presently possible to obtain economic solutions.

The measures we applied in February tend to make the economy more liberal and flexible, which could appear contradictory to the class interests defended by this revolution. They must, however, be seen as necessary to prevent the collapse of the economy, to create the conditions for its rehabilitation, and to strengthen it where it is most needed. Out of necessity, this leads to the cessation of some activities, because we cannot keep the entire economy operating while at the same time guaranteeing supply and foreign currency for everyone.

We cannot print any more bills, and if the riches generated by the country represent 10, the monetary mass represents 100. We inject monetary mass by means of salaries, investments, and credits. Then that enormous amount of circulating currency exerts pressure on the riches we have—which is what we can offer—and that immediately generates more inflation, more disorder, and more frustration among the population, which was expecting the salary changes to bring about an improvement of the situation.

We have been fighting a battle since 1985. The Sandinist Central Organization of Workers and the Association of Agricultural Workers have distinguished themselves in this fight against the policies of salary increases; the leaders and mid-level cadres of those organizations have been effective in defending the revolutionary guidelines. However, there are sectors where we are weak and where policies that go against the class interests we are attempting to defend are still being imposed.

Curb Salaries and Assess Credits [subhead]

February's measures allowed us to recover the small purchasing power salaries had. However, we said then that inflation was going to continue and that we had to change the currency exchange rate and the salaries even if they would lag behind prices.

We are now making a first assessment and readjusting these measures. We have found it necessary to move more quickly and in a more sustained manner in all areas. We are obliged to keep inflation in check, without paralyzing the country. We are riding a horse that is running very fast, but we must control it with an extraordinary effort so it will not go that fast.

To attain this, we have to contain wages, and it is important for the UNAG [National Union of Farmers and Cattlemen] comrades and small businessmen to understand this. It is unfair for us to make demands of wage earners but not of producers.

The problem with the wage earners can be understood better, because a struggle has existed for years; however, with the producers we need to explain the current grave situation to them. We are referring to the small, medium, and large businessmen; the cooperative members; and the industrialists. In other words, I am referring to those who have lived on credit and from the productive effort of those 205,000 men and women who are the real basis of the economy and the material basis of production.

The fact is that throughout all these years, credit has been given away—in specific, not nominal, terms. Debts that could not be paid were condoned or reorganized. We have used policies that are not used in any highly developed country, either capitalist or socialist. The 100 cordobas received by a producer from a loan were devalued by the time he had to repay that much to the bank, even if he sold his harvest at the level of inflation that prevailed at that moment.

More Producer Awareness [subhead]

Producers fight for the price of the product they are selling and forget that the bank gave them 100 cordobas and are not fighting to recover those cordobas. This policy is undoubtedly a source of inflation, and we must stop it. There are even producers who do not use the money to produce or to invest in production; they instead get involved in unscrupulous businesses and pay the bank later, living off these types of transactions.

How are we going to curb credits? It is not a matter of restricting them in the sense of not lending any more, but a matter of giving the credits their true value so the producer who received 100 cordobas will have to repay 100 cordobas at the end, with interest that would fluctuate according to inflation. Then, the producer would have to think of the risks he is assuming with the credit and he would make better calculations, better control his costs, decide how much he needs, and possibly wind up asking for less than before.

We would try to guarantee that loans will go to the sector of production that we are most interested in supporting, such as the coffee, cotton, sugar, and cattle sectors. However, private and state businessmen will have to know that production demands imported resources that have a value we will be increasingly recognizing.

As for wages, there will be minimum readjustments, not aiming to equal the price increases but to get closer to them. Only with huge production could wage increases equal price increases. However, although one sees many products at the Eastside Market, there is not really an abundant supply of them.

If there were an abundance of cans of cooking oil, rice, and beans that we see in the Eastside Market, speculation would make no sense because when there is abundance, there is no place for the speculator. In the Eastside Market there is a small quantity of the products that are in short supply in our country and that are the object of speculation, and it is irresponsible to state that everything can be found there.

Direct Supplies [subhead]

We have made many efforts regarding supplies, but we have very few products, which is the problem. There is very little production to cover the list of products that we distribute by region and through the CAT [Workers' Supply Centers]. Therefore, we are directing those products toward the sector that interests us the most but with a greater movement in prices.

This does not mean the movement of prices will be imposed by the merchant. Instead, we are talking about the movement of prices by the producer, who is the one we want to stimulate. Therefore, we begin by recognizing the real value of what he produces, which is why the exchange rate tied to the goods we import to produce will be moved so the costs will be real and so the profits will not be left in the hands of the merchant who took advantage of the unreal costs of products to benefit from the difference.

For example, gasoline, the price of which is not based on reality, allows some of the imported products to be taken by groups of merchants to other Central American countries where they are sold at much higher prices.

Things Must Have Their Real Value [subhead]

Therefore, the exchange rate will be moved to maintain the prices of our import products in accordance with the international market prices, and everything the country imports will respect that average value, which could be 10 to 1, 20 to 1, 30 to 1, 70 to 1, or 100 to 1 when converted to cordobas.

This means a number of products that continue at low prices will become more expensive compared to the limited purchasing power of the workers. However, in some cases we will protect prices.

We will have an influence on the prices that are highly sensitive in the country. This shows we are not trying to establish a typically capitalist free market but a free market in a revolutionary state in which there is a clear socialist orientation.

Transportation should be more expensive, and we will have to estimate its real cost; however, because it is a very important service, it will continue to be subsidized. When we know how much that subsidy costs, we will have to explain it to the unions, to the rank and file, and to the health and education workers, stressing the significance of this policy, which also includes education, health, and the country's military defense. This is an impressive amount of currency, which promotes inflation in the economy, but there is no other way to maintain these services, because the idea is not to apply IMF measures here in the strict sense of the word.

We Do Not Renounce Planning [subhead]

It is a matter of readjusting the measures we took in February, utilizing certain market economy mechanisms, but without renouncing other mechanisms, such as planning, for example, which we can use to guide production and influence prices and distribution.

As for the allocation of foreign exchange for defense, agricultural production, and the diplomatic payroll, the tendency has been to reduce proposed budgets in half, and they may be reduced even further.

Direct Forces To Defeat the Contras [subhead]

We cannot forget that in this phase of defense of the revolutionary government, the measures that have been outlined will not resolve the economic problems, and we must strive to direct the unemployed labor force to the productive areas in the countryside.

We must increase awareness within ourselves and among the people that we do not foresee a negotiated solution to the war in either the short or medium term, at least not under the present U.S. Administration. We have made efforts—of which you are fully aware and that we must increase—to undermine the bases of the counterrevolution in the rural areas and encourage the contras to lay down their weapons, but we must be prepared to engage in more combat that will require a greater, extraordinary mobilization of our forces against the Yankee administration's counterrevolutionary plans.

H. Ortega Letter on Contra Kidnappings, Aid

PA1706031088 Managua Domestic Service in Spanish 2124 GMT 16 Jun 88

["Excerpt" of letter sent by Defense Minister General Humberto Ortega to OAS Secretary General Joao Baena Soares and Cardinal Miguel Obando y Bravo; dated 16 June]

[Text] Regarding the more than 1,000 kidnap victims being held by the counterrevolution, my government reiterates to you our proposal that the [Nicaraguan Resistance] Directorate permit the Sapoa agreement's Verification Commission or the International Red Cross to confirm the number and identification of the kidnapped individuals being held in the counterrevolutionary camps and bases.

My government will not consider the issue of the kidnapped individuals closed as the counterrevolutionary Directorate seeks through the publicity maneuver it will

carry out in the next few days in Guatemala by releasing 66 kidnapped individuals who it continues to claim are the only prisoners it is holding.

Regarding these 66 kidnapped individuals, yesterday the counterrevolution presented the list of these individuals, a list which it had repeatedly refused to provide. This list, which was issued at the last minute, does not permit us to confirm its veracity [words indistinct] help the propaganda plans against our counterrevolutionary government. The list does not include the name of Comrade 2d Lieutenant Helmut Dagoberto Heller Maravilla, copilot of an MI-17 downed on 14 October 1987 in the Region No 5. During the meetings with the government delegation, Tono and Fernando, counterrevolutionary leaders who signed the Sapoa agreement, admitted that he is being held in a camp in Honduras. The government requests that you, Messrs witnesses, make every possible effort so this comrade pilot will be also released.

In the days prior to the negotiations held in Managua on 7-9 June, the counterrevolutionary forces, under the orders of Colonel Bermudez, increased their criminal actions, which are a flagrant violation of the agreed upon suspension of offensive military operations. The main victims of this terrorist activity have been the civilian peasant population. In the last 10 days, more than 70 civilians have been killed, wounded, kidnapped or had their property stolen. In this same period, the counterrevolutionaries have intercepted five civilian vehicles, stealing the passengers' belongings.

We also report that the counterrevolution has increased its cattle rustling activity in the area of Monte Verde and El Jardin in southeast Nueva Guinea and on the banks of the San Juan River, through which it smuggles the stolen cattle into Costa Rica. It has been learned that more than 800 head of cattle, including some owned by a member of COSEP [Higher Council of Private Enterprise], have been taken to Costa Rica during the last few days.

Messrs members of the Sapoa agreement Verification Commission, in the last few days the top representatives of the counterrevolutionary Directorate have openly unleashed a campaign to obtain the resumption of U.S. military aid for its forces. This activity is further proof of the counterrevolutionary efforts to break the Sapoa agreement, because point No 4 of the Sapoa agreement clearly prohibits military aid.

The latest public statements by counterrevolutionary spokesmen, such as Alfredo Cesar, making a new high-level meeting contingent on a prior meeting between the Nicaraguan president and the president of the sister Republic of Costa Rica and the plan to impose President Oscar Arias as guarantor of the agreements are further steps aimed at destroying the Sapoa process, which already includes a verification commission with recognized authority and direct mechanisms, without intermediaries, to agree upon and organize the high-level meetings between the government and the counterrevolutionary organization [words indistinct].

On the so-called radio system of the counterrevolution, its official (?voice), the shortwave stations Radio Liberacion and Radio 15 Septiembre, which with the complicity of the Honduran Government illegally operate from that country, on 11 June in the program "This Morning" between 0700 and 0730, before the sports section, harshly criticized the work that His Excellency Joao Clemente Baena Soares carries out as witness. It described this work as disappointing. My government believes this campaign is another step by those who want the Sapoa agreement to collapse.

Esteemed members of the Verification Commission, we express to you our deep concern over all these steps by the counterrevolution to obstruct the peace process, especially over point No 3 [as heard] of this note, because if there is no clear rectification in this regard by the counterrevolution Directorate, the possibility of a new negotiating meeting and the existence of the Verification Commission would remain totally uncertain.

CSSR's Chnoupek Signs Cooperation Agreement

PA1606191788 Managua Domestic Service in Spanish 0300 GMT 16 Jun 88

[Text] Today CSSR Foreign Minister Bohuslav Chnoupek arrived in Nicaragua. He will stay here until 18 June. The visitor was welcomed at the airport by Nicaraguan Foreign Minister Father Miguel D'Escoto Brockman.

Chnoupek placed a wreath at the mausoleum of Commander Carlos Fonseca, leader of the Sandinist revolution, and he also signed a cooperation agreement with the Nicaraguan Government and people.

Received by Ruiz

LD1706082788 Prague CTK in English 0655 GMT 17 Jun 88

[Text] Managua June 17 (CTK correspondent)—Nicaraguan Minister of Foreign Cooperation Henry Ruiz informed Czechoslovak Foreign Minister Bohuslav Chnoupek of the economic situation in the country and the policy of national reconciliation pursued by the Nicaraguan Government, at their talks here yesterday.

The two representatives discussed the situation in Central America in view of the possibilities of regional cooperation, and exchanged information about the course of the process of restructuring of the national economy in Czechoslovakia and the present economic changes in Nicaragua.

The same day, Bohuslav Chnoupek granted an interview to the Nicaraguan television in which he described his talks in Managua as a contribution to further development of all-round Czechoslovak-Nicaraguan relations and confirmed the solidarity of the Czechoslovak people with Nicaragua.

Holds Talks With D'Escoto

LD1706084488 Prague CTK in English 0735 GMT 17 Jun 88

[Text] Managua June 17 (CTK Correspondent)—The situation in Nicaragua in the light of the latest economic measures of the Sandinista government was the main topic of yesterday's talks between Czechoslovak Foreign Minister Bohuslav Chnoupek and Nicaraguan Minister of Economy, Industry and Trade Luis Carrion.

Later in the day, Bohuslav Chnoupek held talks with his Nicaraguan counterpart Miguel D'Escoto. Discussing the international situation, the two ministers agreed that the escalation of tension has been halted and positive development tendencies started to be asserted. The most important of them was last year's treaty between the Soviet Union and the United States on the liquidation of two kinds of nuclear missiles and the recently signed agreement on Afghanistan.

The two sides appreciated the positive results of the Soviet-U.S. summit in Moscow and their favourable impact on the whole international situation.

Bohuslav Chnoupek informed the Nicaraguan minister of the Czechoslovak proposals for the improvement of the situation on the European continent, laying emphasis on February's proposal of Czechoslovak Communist Party General Secretary Milos Jakes to form a zone of confidence, cooperation and good neighbourly relations on the line dividing the Warsaw Treaty and Nato member states.

The Nicaraguan side considers this proposal a constructive contribution to strengthening and extending all positive achieved recently in detente in Europe.

The Czechoslovak side fully supported the efforts of the Nicaraguan Government to solve the situation in the country and help find a way out of the conflict situation in Central America in the spirit of the peace accords signed last year in Guatemala. Such a solution is hampered mainly by the policy of U.S. imperialism aimed at strengthening its dominant position in this part of the world. An expression of this course is also the attempt to overthrow the Sandinista government in Nicaragua.

The Czechoslovak side highly appreciated the heroic struggle of the Nicaraguan people against this policy and voiced full solidarity with them.

Central Bank Sets New Cordoba Exchange Rate

PA1706040988 Managua BARRICADA in Spanish 15 Jun 88 p 4

[Communique issued by the Central Bank in Managua on 14 June]

[Text] Carlos Matus Tapia, acting secretary of the Board of Directors of the Central Bank of Nicaragua [BCN], reports that this board approved at its 27th session on 14 June 1988 the following:

1. As of 15 June 1988, the official cordoba exchange rate with regard to the U.S. dollar is 80 cordobas to the dollar (80 cordobas equals $1).

2. The Central Bank of Nicaragua, with presidential approval, may periodically adjust the legal exchange rate of the cordoba with regard to the U.S. dollar in relation to the consumer price index during the period since the last adjustment.

3. The consumer price index referred to above excludes rum, beer, cigarettes, and sodas. It will be determined by the Nicaraguan Institute of Statistics and Census and published monthly by the Central Bank of Nicaragua.

4. Points 3, 4, and 5 of resolution No CD-BCN-XVI-1-88 issued at 0800 on 16 March 1988 remain in effect without change.

Managua, 14 June 1988

Carlos Matus Tapia, acting secretary of the BCN Board of Directors

Petroleum Official Announces New Fuel Prices

PA1606191488 Managua Radio Sandino in Spanish 1200 GMT 16 Jun 88

[Statement at news conference held by Ricardo Melendez, Nicaraguan Petroleum Enterprise hydrocarbons director; date and place not given—recorded]

[Excerpt] As a result of the economic measures announced by the government and because of the new currency being used, we are announcing that the new fuel prices will be as follows: A 10-lb liquid gas tank will cost 160 cordobas; a 25-lb liquid gas tank will cost 400 cordobas; a 100-lb liquid gas tank will cost 1,600 cordobas; a gallon of gasoline will cost 175 cordobas; and a gallon of diesel will cost 135 cordobas. These are the most important products included in the new price list we are announcing today.

We would like to take this opportunity to tell fuel consumers that there is enough fuel available; however, tomorrow there may be some distribution problems because price adjustments still have to be made to all fuel pumps. To accomplish this job throughout the country it

is necessary to organize a brigade of mechanics and vehicles so fuel consumers do not have any problems when purchasing the product.

There may be some problems at those gasoline stations where the adjustment was not made, but as soon as they are made, we hope that by tomorrow the distribution situation will be back to normal. [passage omitted]

Panama

Solis To Call for Special Assembly Sessions

PA1606222388 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Jun 88 p A-1

[Unattributed article]

[Text] The Panamanian executive branch will call for special Legislative Assembly sessions to be held in July.

The decision was made during a working breakfast Panamanian President Manuel Solis Palma hosted at the presidential palace.

[The working breakfast] is part of the executive branch's plan for the two branches of government to regularly analyze the country's current situation and reach agreements to support the harmonious cooperation that should exist among the two branches in accordance with the Constitution.

The Panama Defense Forces [FDP] high command headed by General Manuel Antonio Noriega, as well as the cabinet and leaders of UNADE [National Democratic Union] political parties, also participated in the working breakfast.

The discussion of national and political topics clearly showed the need for the executive branch to call the Legislative Assembly into special sessions beginning in July.

The Constitution states that this call must specify the topics to be discussed at the special session, so it was agreed that the topics that the Assembly must discuss and decide on will be established at a meeting to be held early next week.

During the meeting at the Palace of the Herons, the Honorable Legislative Assembly President Alberto Aleman Boyd formally handed the president an exact copy of the minutes of the 26 February 1988 Assembly session, in which, in accordance with the Constitution, the Legislative Assembly appointed Manuel Solis Palma minister in charge of the Presidency.

The Honorable Aleman Boyd also handed FDP Commander in Chief Gen Manuel Antonio Noriega an exact copy of the official minutes of his appearance before the Legislative Assembly on 26 May 1988, where he appeared at the request of that illustrious chamber.

Radio Transmitter Area 'Invaded' by FDP

PA1606150188 Panama City Radio Noticias in Spanish 1230 GMT 16 Jun 88

[Interview with Carlos Fabrega, manager of Ondas del Caribe radio station in Bocas del Toro Province, by Alberto Quiros Guardia during "Radio Analysis, Two Generations" program hosted by Quiros—live]

[Text] [Quiros] We are going to break into our scheduled program to hear a charge being presented by Carlos Fabrega, manager of Ondas del Caribe radio station in Bocas del Toro.

[Fabrega] Hello, am I on the air?

[Quiros] Yes, you are.

[Fabrega] I am calling to advise you of something that happened last night. We are quite worried about this incident. The farm where the Radio Noticias transmitter is located was invaded [invadir] by Panama Defense Forces [FDP] troops—approximately 60 FDP troops, a platoon—last night. They claim they were pursuing guerrillas. They claim there are guerrillas in the area, or so they say. They just walked onto the farm without prior warning. It was quite an uncomfortable situation, and I had to personally go out last night to see what was happening. By the time I got there, the FDP troops had gone into the bush.

This is not the first time this has happened: They have invaded the area two or three times; they are constantly up and down the area.

I consider this to be an act of intimidation against a radio station that has always been objective. Our reports are objective; we do not insult or say things we should not.

The government minister is talking about the possibility of reopening the closed media; however, last night's incident is not a good sign. We are living in constant anguish; the FDP platoons are constantly walking in and out of private property. They have no warrant to do this. This contradicts their statement that they are interested in reopening the closed media.

Betito [Quiros], I wanted to make this charge on your program because I feel this is a very serious situation. It is another bead added to that rosary of problems we are experiencing. This station is cooperating with the dialogue. We are even broadcasting the dialogue in the hopes that the Panamanian people will resolve their problems in a peaceful manner and without violence. However, we are being affected by this situation. We believe Panama's problems should be resolved by the Panamanian people in a peaceful manner; however, an incident like the one we experienced last night does not contribute to this.

This is all I wanted to say. Do you have any questions for me?

[Quiros] Feel free to add anything you wish. Honestly speaking, if you feel that by airing our program you are hindering your station and that the solution is for us to refrain from airing it on your station, we would not refuse. We do not wish to hinder you. I get the feeling that whenever we find a radio station willing to air our program, we have problems. I truly believe that the only way to save the country is by inviting guests to this program and having them express their own ideas. People must be free to express their own views.

I was told that the man who lives at the Palace of the Herons [referring to Manuel Solis Palma, minister in charge of the Presidency] called Luis Casco Arias [secretary general of the National Liberal Republican Movement, Molirena] yesterday. He told Casco Arias that he and his wife were free to enter the country. This is a positive move. I wonder whether he gave the order. Perhaps the order was given by someone who wants to be on the good side of those who are described as enemies of the country.

I feel we must find ways that will lead to an authentic dialogue. You will have to tell me whether my program is affecting you. I want to know that for sure. I talk on one station, it is closed down; I talk on another station, there are problems. I would like to know what you think about this.

[Fabrega] I will be glad to tell you how I feel. I have the highest regard for you, your honesty, and intelligence. Your program is objective and respectful. I want you to continue hosting this program. If they feel you are being too hard, then what do they have to say about men—mercenaries of journalism—such as Luis Manuel Martinez, who talks on Televisora Nacional and who is constantly insulting the Panamanian people. He insults the Panamanian people every day. One Panamanian does not degrade a countryman the way Luis Manuel Martinez has been doing. However, they allow him to say all those things. The same goes for the ERSA [Renovacion Publishing Co., government-owned] reporters. They are allowed to degrade people.

You have an excellent program; you do not insult anyone. You point out injustice; you point out what is not right. Many times not even the rulers realize what is really going on. As you said recently, many times these things are done by others who want to win points with their superiors. Many of the things they do not only hurt their superiors but also the government. I feel your program is good, and if I were a ruler, I would like to have a person like you telling me what is going on. The brown-nosers only tell the rulers what they think the ruler should know, and they overlook the bad things going on. Our radio station has no intention of calling people to violence or to overthrow a government. All we want is to have a free voice to say what we think should be improved within the government.

I know you do not agree with the dialogue; you have said this on several occasions. I also have my reservations, but I also feel this is the last chance we have. I believe we should have a short dialogue, a 1- or 2-day dialogue. I do not think we should get involved in a 6- or 12-month dialogue. That would only be beating around the bush. I think that the electoral and political problems, and any other problems we may have, should be discussed at the dialogue, but this should be a 1- or 2-day dialogue. The opposition should participate in the dialogue and state their position. If nothing is achieved, then the struggle will just have to continue.

This station has always been decent. We do not believe in insults; however, I can see that the government sectors praise the reports that insult the people and attack the people who do not think the way they do.

You mentioned that all the radio stations where you have worked have had problems; this may be true. However, I will add something else: I would rather risk things with you—because I know you are an honest man and a good journalist—than say things I know are not true. The country has the right to know what is going on in our homeland.

We are heading for big problems. Everyone knows the situation is bad. To say that all this is fine is not true. They have already started cutting the salaries of government employees, and this could be followed by some firings. There is bankruptcy. Gentlemen, if what we need is a dialogue to resolve this, then we should do it. If it is necessary to go all the way to China to resolve our problems, then we should. We cannot be stubborn in light of a situation that is harming our homeland, children, and family. Thank you.

Envoy to Cuba Reviews Year of U.S. 'Attacks'

PA1606165888 Havana International Service in Spanish 2300 GMT 15 Jun 88

[Interview with Ambassador to Cuba Manuel Orestes Nieto by Ezequiel Perez Martinez at the Panamanian Embassy in Havana; date not given—recorded]

[Excerpt] [Perez] For more than a year, the United States has tried to destabilize the Panamanian people by different means. In your opinion, Mr Ambassador, what are the most important aspects of this 1st year of unsuccessful attacks against your country?

[Nieto] In my country, our people and its leaders, especially General Manuel Antonio Noriega, have built a trench of dignity that has been able to stop a giant.

Summarizing the situation following these 365 days of strong attacks, they tried to discredit our nation and its decisions. Second, they wanted to isolate us. Part of the plan was to isolate us. A year ago, we were almost on our own with only the support of three friendly nations that never believed them. Now, a year later, we have much more support. Third, our people—it is an honor to be a

Panamanian—carried out the decision to defend themselves, to survive, and to resist, something we must continue to do ourselves despite the fact that at one time we were on the verge of being invaded.

In my opinion, this is what has happened in Panama, and this is what will continue to take place for the better as we reach a solution that will satisfy not the strategic interests of imperialism, but the general interests of the Panamanian people. [passage omitted]

PDC Rejects Call for Presidential Elections

PA1606194988 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Jun 88 p A-1

[Report by James Aparicio]

[Text] The opposition Christian Democratic Party (PDC) has rejected the call to participate in the 1989 elections because there are no guarantees. The PDC reported dozens of violations of the party's political rights.

Guillermo Cochez, PDC vice president and legislator, told LA ESTRELLA DE PANAMA that the National Assembly's Board will discuss the possibility of calling for a period of special sessions on 15 July. He added that it is necessary to "reflect on the country's current state of ruin."

"How can any serious person even think about elections when the country is in such a ruin—not only politically but also economically and socially?" Cochez asked.

Mauro Zuniga on Desires, Resolving Problems

PA1606233188 Panama City Radio Noticias in Spanish 1205 GMT 16 Jun 88

[Interview with Dr Mauro Zuniga, leader of the People's Civic Movement (MCP), by Alberto Quiros Guardia during "Radio Analysis, Two Generations" program hosted by Quiros—live]

[Excerpts] [Passage omitted] [Quiros] Our guest today is Dr Mauro Zuniga. Dr Zuniga is a founding member of the People's Civic Movement. Good morning, Doctor.

[Zuniga] Good morning, Betito [Quiros]. I wish to congratulate you and Albertin [Alberto Quiros Jaen] for your efforts to air the truth to the Panamanian people by using a medium in which disinformation predominates. It is through disinformation that systems remain in power.

Betito, you spoke earlier of the death penalty and the U.S. presidential candidates debate on this issue. I think the death penalty was implemented on our continent many decades, many centuries, ago. It is almost unbelievable, but there are more than 400 million Latin Americans and 138 million of them can barely feed themselves. This is a real crime. It is against this type of crime that we must struggle.

We in Panama have used many ways to speak of the things we do not want. We have said it here and abroad. We do not want repression, we do not want impositions, we do not want our rights trampled, we do not want unemployment, we do not want hunger, we do not want disease, we do not want malnutrition, and we do not want illiterate people in our country. We have said this many times. There are many people throughout our country who have raised their voices against an established system. However, we have never talked about the things we want. What do we want for Panama? This is what I want to talk about.

First, what kind of a country do we want? We have heard talk about a free associate state, about a protectorate. We have heard talk of continuing with the semi-colonial state that Panama has been experiencing. We have even heard some Panamanians who have talked about becoming another star on the U.S. flag. We hear talk of a free port. All this translates into more dependency, making us totally dependent on foreign trade. For Panama we want a totally independent economic country. This is what we want for Panama. [passage omitted]

I recall the last time I spoke in front of a microphone. I was at Radio Mundial when a paramilitary group came to the radio station and violently removed us. [passage omitted]

[Quiros] What is your opinion regarding the lifting of economic sanctions and letting Panamanians resolve their own problems?

[Zuniga] Betito, we have always said that Panama's problems must be resolved by the Panamanian people. We cannot accept intervention from anyone, from wherever it may come. The MCP was created as a result of this. The MCP is struggling against the military dictatorship and against intervention. The MCP has also suggested the implementation of a national strategy to resolve our own problems. The fact that a dialogue is being held to discuss these problems is good. However, we must understand that if the people do not participate actively in resolving their problems, if the people continue to be left outside [the process of] resolving their problems—this has always been the case in Panama—we will not be able to resolve our problems.

The political parties have never tried to organize the people for the good of the people. The political parties have always manipulated and used the people for their own benefit. We insist that if the Panamanian people do not participate in the search for solutions to our problems, then the solution will not be a real one. [passage omitted]

Argentina

Caputo Denies Rumors of Gorbachev Visit

PY1606152588 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1250 GMT 16 Jun 88

[Text] Buenos Aires, 16 Jun (NA)—Foreign Minister Dante Caputo said today that the Argentine Foreign Ministry "has received no report from the Soviet Embassy" on the possibility of CPSU Secretary General Mikhail Gorbachev visiting Argentina early in October.

Asked whether Gorbachev would come to Argentina in October, Caputo replied "No, absolutely not." Caputo recalled that when President Alfonsin visited the USSR, Gorbachev said that "he would visit Argentina and Latin America sometime."

Caputo thus denied a report that Gorbachev will visit Argentina and that Argentine and Soviet Foreign Ministry officials are working out the details and the agenda of the visit.

Caputo, U.S. Official Confer on L.A. Policy

PY1706015988 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2225 GMT 16 Jun 88

[Text] Buenos Aires, 16 Jun (NA)—Argentine Foreign Ministry officials and their U.S. counterparts have discussed bilateral and world issues such as disarmament and regional wars. The Argentine officials have expressly acknowledged that the U.S. Latin American policy "has changed drastically in recent years."

These remarks were made by Foreign Minister Dante Caputo, who noted that proof of the U.S. policy change has been "its unrestricted support for democracy in the region," for which "we are grateful. Therefore, we may state that despite our disagreements on some issues, our two countries defend the same thing, that is, Argentina and the United States defend democracy."

The U.S. delegation to these talks was led by Richard Solomon, the State Department policy planning director. Also discussed at these talks were the Malvinas, the foreign debt, and the drug trade in the region.

Caputo Discusses Falklands Sovereignty

PY1606201488 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2050 GMT 15 Jun 88

[Text] Buenos Aires, 15 Jun (NA)—Foreign Minister Dante Caputo today harshly criticized the "sepoys who have always been present in Argentine history" and who "strive to create this magical illusion" that "we will achieve development if we align ourselves."

Speaking at a ceremony held this afternoon at the Foreign Ministry to commemorate Argentina's day of affirmation of rights over the Malvinas Islands, Caputo criticized "those who contend that by cajoling, that by selling our national honor, as if by magic, we can automatically achieve what we Argentines must achieve by our own efforts."

In so doing the foreign minister brought up an issue that has stirred considerable controversy with Cordoba Governor Eduardo Angeloz, who is seeking the Radical Civic Union presidential nomination. Angeloz has criticized the Third World policy that has been implemented by the Argentine Foreign Ministry.

Speaking this afternoon to ambassadors and Foreign Ministry officials, Caputo said: "When these voices arise, we must answer them."

Speaking in honor of those who "fought" in the Malvinas war against Great Britain in 1982, Caputo said: "We must remind these new versions of Argentine sepoyism that we Argentines continue to be ambitious, that we are still a proud people."

He added: "We know that because of our pride, of our ambition—which is not irrational, which is not madness, but is rational and implies changes—we will be able to achieve our independence and international participation."

Caputo said: "The Malvinas war has a meaning in our daily lives and this must be remembered every year in our country. We cannot claim our rights over the Malvinas on the one hand, and promote attitudes that undermine our nation, on the other."

He added: "If we defend our territory, we are also defending our common destiny as a nation."

Caputo stated: "Our first duty as foreign service officials is to defend the freedom of our nation, that is, its independence."

He reasserted that "the sovereign rights that Argentina has over the Malvinas Islands is tantamount to defending Argentine territory, is tantamount to defending the destiny of our nation, is tantamount to defending the freedom of this nation, and is tantamount to defending Argentine independence."

He asserted: "We can only think of international participation based on national independence."

Answering those who criticize the present Argentine foreign policy, Caputo asked them "to forget the magical illusion that we will be able to achieve development by surrendering ourselves. Surrender is tantamount to more underdevelopment and what is more, without dignity."

The foreign minister said: "Based on the rationalism we have achieved through democracy, on the rationalism we have achieved by making a modern interpretation of the world and the need for Argentina to make changes at the national and international levels, we demand that healthy nationalism be upheld."

Caputo added that nationalism "is not a banner brandished by authoritarians or fascists, but rather it is a banner of democracy."

He concluded: "Based on a nationalism that has been recreated as a national undertaking, we must reassert our sovereignty over the Malvinas Islands."

Ortigoza Arrives in Buenos Aires En Route to Spain

PY1606183588 Buenos Aires BUENOS AIRES HERALD in English 16 Jun 88 p 1

[Excerpt] Paraguayan Army Captain Napoleon Ortigoza arrived here yesterday after the Paraguayan government was forced to allow him to leave the country by strong pressure from Argentine diplomats. He will fly to Madrid this morning, sources told the HERALD.

Until his release last December Ortigoza was termed the longest-held political prisoner in Latin America, having been jailed on murder and sedition charges following a show trial and confined to a small cell under deplorable conditions for 25 years, 18 of them in almost complete isolation. His release last December 18 was followed by a virtual house arrest.

With the help of Authentic Radical Liberal leader Hermes Saguier, lawyer Felino Amarilla and his daughter Mirta, Ortigoza made a cinematic escape from his house last March 23 and took asylum at the Colombian Embassy. Paraguayan officials claimed he could not be a political refugee because he was not being persecuted.

After months of pulling international strings seeking safe conduct, the Paraguayan government on Tuesday accepted an Argentine suggestion to allow Ortigoza to leave the country by driving to Formosa in the company of a high Paraguayan police authority as well as Colombian Ambassador to Asuncion Vicente Martinez Emiliani and Argentine Embassy Minister Aldo Fraticcelli.

From there he flew to the Jorge Newbery airport, where he was met by Spanish Ambassador Raimundo Bassols.

Spain offered asylum to Ortigoza, despite the fact that the de facto regime of General Alfredo Stroessner refuses to accord him that status, and will also provide the captain with the medical and psychological treatment he needs.

The only documentation Ortigoza carried in the way of a passport was a statement from the Colombian Embassy and an Argentina visa stamped on it.

Argentine Foreign Ministry Latin American Affairs Secretary Alberto Ferrari Etcheverry told the HERALD that the reason for Argentina's "concern" and "involvement" in the Ortigoza case was "mainly humanitarian." [passage omitted]

Alleged Gang Leader Arrested in Drug Case

PY1606194888 Buenos Aires TELAM in Spanish 1644 GMT 16 Jun 88

[Text] La Plata, 16 Jun (TELAM)—The alleged head of the so-called Amapola [Poppy] connection—a gang of car thieves, street thieves, and drug traffickers dismantled last April—has been arrested by members of the crime department of the Buenos Aires police forces. The individual has been identified as Juan Carlos Gelabert, 38, who resides in the federal capital and who has numerous entries in his police record and various pending warrants of arrest against him. The police disclosed that they hope to arrest four members of this criminal gang.

The arrest of the first members started in early April and lead to the break up of the gang, whose main activity was drug trafficking in the country. The drugs were acquired in Bolivia and traded for cars and other objects stolen in Argentina.

At that time the police arrested Juan Carlos Runo, Jorge Fernandez, Omar de Gregori, and Hector Radrizzani, all of them traffickers, from whom the police seized 1,450 grams of cocaine and 300 grams of ground marijuana leaves. In the meantime, investigations continued and the police learned about their modus operandi.

It was established that in December 1987, the gang stole a truck belonging to the Dream enterprise containing 290 color television sets, which were traded for cocaine and marijuana in Bolivia.

The police carried out another operation during which they arrested another gang comprising 17 members.

On this occasion the police seized 3.75 kg of cocaine hydrochloride and 3 kg of ground marijuana, weapons of various caliber, military-type grenades, and stolen cars, the value of which amounted to 2,980,000 australes.

With the arrest of the head of this vast criminal organization, the case in which Lomas de Zamora Federal Judge Piaggio and Jujuy Federal Judge Cicero as well as Jujuy Penal Judge Carrillo took part, is close to being wrapped up.

Briefs

Bolivian Traffickers Arrested

Two Bolivian citizens have been taken into custody at the Ezeiza International Airport upon attempting to smuggle in 15 kg of cocaine. Two cocaine-detector dogs drew the attention of customs officials to two travel bags where, upon inspection, pieces of rocks and acrylic plates were found. The acrylic plates were melted at a laboratory thereby exposing the cocaine powder. This seems to be a new trick being used by drug traffickers to carry the drug. [Summary] [*PY1606170788 Buenos Aires DYN in Spanish 1350 GMT 16 Jun 88*]

Bolivia

Government Against Herbicides in Coca Eradication

PY1606165188 Madrid EFE in Spanish 0305 GMT 16 Jun 88

[Text] La Paz, 15 Jun (EFE)—The Bolivian Government today officially announced that it will not use herbicides to eradicate coca plantations. The decision was made to preserve the environment, the ecology, and the people's health.

The announcement, made by Anibal Aguilar Gomez, under secretary for alternative development and substitution of coca crops, was supported by the Bolivian Coca Producers Federation and other labor union organizations that had warned they would oppose the use of chemical agents in the program to substitute coca plantations.

Aguilar Gomez rejected reports received from abroad stating that Bolivia would use the "Espiga" herbicide, produced in the United States.

The under secretary said that "the use of chemical agents is not in keeping with the Bolivian Government's policy because to place health, the environment, and the ecology at risk represents an attack against life."

Aguilar Gomez added that the Bolivian Government has voiced its support for a joint project of the Latin American and Caribbean Countries Group (GRULAP) that expresses its determination to prevent the use of chemical agents, herbicides, and other elements that may affect the ecology.

He said that "the government does not intend to eradicate the coca plantations but rather replace them through a mechanical and manual method."

This method consists in pulling the coca plants out by hand.

The under secretary ended by stating that the coca plantation substitution plan will be implemented "with sovereignty, taking the Bolivian situation into account, and in agreement with the coca producers."

Duran Comments on Narcotics Video Arrests

PY1606123288 La Paz La Red Panamericana in Spanish 1130 GMT 6 Jun 88

[Text] Interior Minister Juan Carlos Duran has stated the Interior Ministry is solely responsible for fulfilling its orders and for complying with the arrest warrants that have been issued in keeping with the enforced law.

The interior minister added that the executive branch will enforce the law to safeguard any attempt to disrupt the established order. The Interior Ministry had requested state organizations to issue arrest warrants against those who participated in a television program as well as against those responsible for broadcasting this program.

Interior Minister Duran added that the Interior Ministry is the only one responsible for fulfilling these arrest warrants.

Government Cancels Radio, Television Licenses

PY1606154288 La Paz La Red Panamericana in Spanish 1130 GMT 16 Jun 88

[Text] Through the Telecommunications General Directorate, the executive branch yesterday canceled for 1 year the operation licenses of channel 4, Television Popular, and of Metropolitan Radio.

Resolution No 47/88 entrusts the Radio and Television Directorate to enforce the resolution and authorizes the directorate to resort to the police if there is any resistance.

Mario Ugarte, legal adviser of the Telecommunications General Directorate, read the resolution:

[Begin recording] Administrative Resolution No 47/88, La Paz, 15 June 1988

In view of the repeated public denunciations of misconduct issued against channel 4 Television Popular and against Metropolitan Radio:

Whereas all television and radio stations are obliged to comply with and strictly uphold those dispositions established in the telecommunications general law, in the regulations decree, and in the television service general regulations;

Whereas the violation of these regulations may lead to those punishments included in Article 120 of the telecommunications general law, Article 266 of the telecommunications regulations law, and Article 59 of the television regulation law, which encompass punishments ranging from suspension to the definitive closure of those stations that violate these laws;

Whereas channel 4 Television Popular and Metropolitan Radio have flagrantly violated regulations pertaining to the norms and rules of conduct of radio and television stations during their broadcast on 9 June 1988 by inviting and sponsoring the participation in their program of people who are either under congressional investigation in view of their alleged connection with narcotics trafficking or who have been indicted for this serious crime;

Whereas they allowed these people to make slanderous remarks and threats thus becoming apologists of drug trafficking;

And whereas in so doing they seriously harmed the most respectable feelings of the Bolivian people as has been denounced by various Bolivian journalist organizations, the mass media, members of congress, political parties, intellectual sectors, and the general public;

Therefore, in keeping with its legal attributions, the Telecommunications General Directorate, hereby decides:

1. To suspend for 1 year as of today the operation licenses of channel 4 Television Popular and of Metropolitan Radio for violating Article No 62; Article No 130; clauses F, I, L, and M; Article No 137; and Article No 176 of the telecommunications general law; Articles 31, 35, 36, 54, clauses B, D, E, and F of the television service general regulations in compliance with Article 266, clause B, No 5 of the telecommunications regulations; and Articles 58 and 59 of the television regulations. This is without detriment of the legal actions that may be undertaken in compliance with the established laws.

2. To entrust the Radio and Television Directorate with enforcing this resolution and authorizing it to resort to the police if there is any resistance in complying with this ordinance.

It is hereby ordered. [end recording]

Brazil

Assembly Approves Municipal Elections 'This Year'

PY1606151788 Rio de Janeiro O GLOBO in Portuguese 15 Jun 88 p 1

[Text] The Constituent Assembly yesterday approved municipal elections for 15 November of this year, thus maintaining the text of Transitory Provisions in the new Constitution, which set 1 January 1989 as the date for new mayors and municipal councilmen to take office. All the amendments proposing the reelection and the extension of current mandates or the creation of a 2-year cushion for mayors and municipal councilmen elected in November were rejected.

Thanks to an agreement by congressional leaders, the Chamber of Deputies should today approve the bill regulating municipal elections. The bill, which was introduced by PMDB leader Ibsen Pinheiro and approved in principle by the deputies, maintained run-off elections for municipalities with more than 200,000 electors. It also banned radio and television professionals who run for office from presenting their platforms within the 45-day period set aside for free use of radio and television time. Last week, the Senate did not include these two items in the bill to regulate municipal elections.

Amendments on Further Military Amnesty Rejected

PY1606130088 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 16 Jun 88

[Text] The Constituent Assembly has rejected all the proposed amendments that seek to broaden the amnesty granted to the military. The amendment submitted by the centrist group [majority group made up of moderate lawmakers of different parties], which was approved on 1 June, thus remains in force. Under this amendment, the dismissed military men will be promoted as if they had been on active duty. They will not, however, be reinstated.

The Assembly also approved an amendment, by a majority of 406 votes, granting amnesty to civil public servants and to state-owned company employees who were punished or dismissed for political reasons as of 1978. Those who were dismissed will not be entitled to retroactive pay.

As for the amnesty for the military, no amendment was approved at yesterday's session. The centrist group amendment, which remained in force, sets forth that the military members who were dismissed under laws based on exclusively political grounds will be promoted as if they had remained on active duty, although they will not be reinstated.

One of the amendments that could have been approved established that the military members who were punished by administrative decisions in 1964 may resort to the courts. This amendment, which was supported by Senator Mario Covas and which was criticized by Senator Jarbas Pasarinho, was defeated by a narrow vote of 221 to 213, with 21 abstentions.

Nobrega Denies Price Freeze, Views Debt Issue

PY1606154788 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 16 Jun 88

[Text] Finance Minister Mailson da Nobrega has denied that the government is considering a new price freeze. He said that Finance and Planning Ministry officials have traveled to Israel to analyze the Israeli experience in curbing the fiscal deficit. As for the visit to Mexico by Central Bank and Finance Ministry officials, the minister said that it has nothing to do with the fight against inflation but with the foreign debt.

Da Nobrega has said that there will be budget reductions and tax increases if the Constituent Assembly approves the amnesty for the small businesses that contracted debts with the banks since the enforcement of the Cruzado Plan.

According to the minister, the government found that the accumulated debt the small businesses owe largely to official banks amounts to $10 billion. If the Constituent Assembly approves an amnesty, the government will have to immediately enforce budget reductions to compensate for this amount.

[Begin Da Nobrega recording] Whatever the increase in spending caused by an amnesty of this type [words indistinct] reductions and tax increases. There is no [words indistinct] this amnesty will cost aproximately $10 billion. This is the correct figure the banks have released. [end recording]

The minister recalled that this social injustice can affect the entire labor class. He then vented his feelings:

[Begin recording] Our economy is unbelievable. Why should only those with congressional representatives be granted such benefits? Why [words indistinct] which amounts to several times the Health Ministry budget? Those who receive Health Ministry assistance, who are generally the people in the lower brackets [words indistinct]. [end recording]

The minister concluded his allegation in favor of debt repayment by recalling that someone will have to pay for the help extended to the owners of small farms and small businesses and that it will be the workers who will have to pay for it.

Japanese Prince Famihito Arrives in Brasilia

PY1706015788 Brasilia Domestic Service in Portuguese 2200 GMT 16 Jun 88

[Text] Japanese Prince Famihito, grandson of Emperor Horohito, arrived this morning in Brasilia. At Itamaraty he was welcomed by Foreign Minister Abreu Sodre, who stressed the friendship and cooperation between the two countries.

Abreu Sodre added that Brazil is proud to be the country with the largest number of Japanese people and their descendants, of whom there are 800,000 in the country.

Abreu Sodre said that Famihito's visit will strengthen Japanese-Brazilian cooperation, stressing the 80 years of good relations.

President Sarney also received the Japanese prince in his office. On Saturday, in Sao Paulo, both Sarney and Prince Famihito will participate in the 80th anniversary celebration of the Japanese migration to Brazil. On that occasion, the Brazilian president will present the Order of Merit to outstanding Japanese-Brazilian personalities.

On Sunday, President Sarney and Prince Famihito will participate in several ceremonies. In Londrina they will visit the fair organized to celebrate the 80th anniversary of Japanese migration.

Briefs

Oil Well Discovered

Petrobras has found an oil well in Sao Mateus, Espirito Santo. According to initial tests, the well has 10 million cubic meters of gas. [Summary] [*PY1606154988 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 16 Jun 88*]

Oil, Gas in Urucu

Petrobras has found new oil reserves in Urucu, in upper Amazonas. As of next month, Urucu will produce 3,000 to 4,000 barrels of oil per day. Urucu's estimated reserves are 150 million barrels of oil and 100 billion cubic meters of gas. [Summary] [*PY1506125788 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Jun 88*]

May Inflation Rate

The Brazilian Institute of Geography and Statistics has reported that the inflation rate has reached 18.24 in May. [Summary] [*PY1506125888 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Jun 88*]

Chile

Liberals Term No-Vote Call 'Opportunist'

PY1606203188 Santiago Radio Chilena Network in Spanish 1700 GMT 16 Jun 88

[Text] Liberal Party Vice President Guillermo Toro has said that the Communist call to support the no-vote is an opportunist decision.

[Begin Toro recording] The Communist Party has changed its tactics for clearly opportunist reasons. First it has (?criticized) electoral regulations; later it [words indistinct] and refused to participate in the plebiscite. It has now decided to participate. Now that the Chilean democratic sectors have, by an overwhelming majority, decided to [words indistinct] the plebiscite, the Communists decided to end their political isolation and take a course toward democracy. [end recording]

However, Toro said that the Communist Party call is positive because it will give further strength to the undeniable victory of the no-vote in the plebiscite. Yet the fact that they support the no-vote does not mean that we share or agree to their objectives and methods of political struggle, or that we are willing to reach an accord with them, Toro added.

The Liberal Party has also publicly repudiated all forms of terrorism. Toro concluded by saying that terrorist actions, from whatever origin, can only upset the normalcy in which the Chilean institutional process must be held.

Extremist Group Claims Murder of Army Officer

PY1606153288 Santiago Domestic Service in Spanish 1030 GMT 16 Jun 88

[Text] A left-wing extremist group has claimed responsibility for the murder of Lieutenant Colonel Miguel Rojas Lobos, retired, former financial manager of the National Plastics, Inc., [PLANSA] on Tuesday, 7 June.

The extremist group is the self-styled Corpus Christi Heroes and Martyrs Combative Unit [Unidad Combativa Heroes y Martires de Corpus Christi]. This group seems to be one of the branches of the Manuel Rodriguez Patriotic Front, which in turn, is the armed branch of the proscribed Communist Party.

In a note sent to various mass media in Santiago, the group claimed responsibility for the brutal murder of Lt Col Rojas Lobos.

The retired Army officer was murdered by three extremists while leaving the PLANSA factory located on 473 Carlos Valdovinos Street.

Proposal Links Debt Deal to Copper Profits

PY1706013488 Santiago Radio Chilena Network in Spanish 2300 GMT 16 Jun 88

[Text] The Central Bank has announced that one of the alternative proposals Chile is making to creditor banks is the use of $500 million from the surplus created by the high price of copper to purchase part of Chile's foreign debt.

Central Bank representatives added that the different alternatives will be made public only after Chile reschedules its debt contracts. They said the process should end in late July or early August. Bank representatives said the bank is considering issuing bonds, and added that the process of buying back the debt will be gradual.

The Central Bank would not comment on the 1-year extension of the facility agreement with the IMF until the IMF board of directors approves it.

The Central Bank also announced that the foreign debt has dropped to $18.6 billion from the previous level of over $19 billion.

Union Leader Involved in Arsenal Case Released

PY1606153488 Santiago Domestic Service in Spanish 1030 GMT 16 Jun 88

[Excerpt] Ad hoc military prosecutor Fernando Torres Silva has released Freddy Nunez, leader of the Democratic Central of Union Workers.

Prosecutor Torres also issued six new arrest warrants in connection with the arsenal found in a house in La Cisterna neighborhood which belonged to Freddy Nunez. This house was used as a stronghold by the Manuel Rodriguez Patriotic Front to perpetrate holdups and attacks against security forces personnel. [passage omitted]

University Students Clash With Police

PY1706032888 Santiago Domestic Service in Spanish 2300 GMT 16 Jun 88

[Text] Isolated groups of agitators conducted violent demonstrations near the Science and Education School of the Metropolitan University.

Some of the demonstrators, who had their faces covered with handkerchiefs, threw fire bombs at passing vehicles. The Carabineros broke up the demonstration and cleared Grecia Avenue, where the demonstrators tried to set up barricades.

Isolates incidents also occurred this afternoon near the Santiago Professional Institute. The school is located in the area of Taracapa and 18th Streets. The demonstrations were called by a student-political organization. No one was injured.

Explosion at Army Training Camp Kills 3 Civilians

PY1706030088 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 17 Jun 88

[Text] The Army Public Relations Office has reported that three civilians died while handling an explosive device at an Army training camp. The Army communique says:

Three civilians were killed yesterday while handling a Sordo [as heard] missile that exploded at an Army training camp.

The three young victims, who were killed at about 1400 yesterday, were part of a group of five, who entered the camp without authorization and hid from guards. The incident occurred at Fort General Augusto Arteaga, in Peldehue.

The victims were identified as Hernan Gajona Barrasa, 21; Jose Iturra Yanez, 19; and Roberto Suazo Cifuentes, 16.

The court in the jurisdiction received a full report on the incident.

Officers at the camp ordered an inquiry into the matter.

Paraguay

Ortigoza Criticizes Stroessner, Thanks Supporters

PY1706004288 Madrid EFE in Spanish 1801 GMT 16 Jun 88

[Text] Buenos Aires, 16 Jun (EFE)—Former Paraguayan military officer Napoleon Ortigoza, considered the longest-held political prisoner in Latin America, today stated in Buenos Aires that "I will never forgive" Paraguayan President Alfredo Stroessner "because of the suffering he forced me to endure."

Ortigoza, now 56, who yesterday fully recovered his freedom after 25 years of imprisonment in his country, added, however, that he "harbors no hatred nor rancor" toward Paraguayan military officers.

In remarks to EFE and other news media that inteviewed him at the Spanish Embassy in Buenos Aires, where he is staying, Ortigoza said: "It is impossible to live in Paraguay while Stroessner remains in power."

Ortigoza said that "only my faith in the victory of the truth and in myself helped me to live through almost half of my life in jail." He expressed his desire "to help the human rights organizations that have supported my case as an example of the abuse of power and of human rights violations."

He admitted the possibility that he might join "one of the democratic political parties of the opposition that continuously and courageously confront the Stroessner regime."

The former Paraguayan Army captain, who belonged to the Paraguayan 1st Cavalry Regiment, today departed for Madrid at 1430 Argentine time, (1730 GMT), after accepting political asylum from the Spanish Government.

Despite having spent 8,900 days in "a dark jail cell measuring only 2 square meters," Ortigoza smiled and appeared to be in good physical condition, although he said he was suffering some health problems, such as missing teeth, and other difficulties."

He said he would remain in Spain "for at least 1 year," with his daughter Mirta, "to recover physically and mentally from the tortures, persecution, and abuses" he endured in prison.

Ortigoza refused to say what opposition political party he intends to join, but he stressed the "happy memories" he has of the Authentic Radical Liberal Party (PLRA) and the Febrerista Party.

He recalled the "dissident sectors" of the ruling Colorado Party, to which he belonged before he was detained by the Stroessner regime on 16 December 1962, and which were accused of involvement in the murder of a military cadet, a crime Ortigoza has always denied.

"My detention is explained by the fact that I was aware of all political influences and private actions of Paraguayan officers, and the danger it implied for the Stroesner regime," he said.

Ortigoza added: "None of my colleagues, most of whom are generals now, can accuse me of anything, much less call me a criminal, because I know many of the things they have done."

Ortigoza expressed his gratitude for the "Argentine and Spanish hospitality," and he gave special thanks to his lawyer, Hermes Saguier, "who helped me escape from hunger and persecution," by accompanying him to his refuge at the Colombian Embassy in Asuncion, where he stayed for 85 days, and from where he left for Argentina, on his way to exile in Spain.

Peru

Shining Path Accused of Killing U.S. Citizen

PY1606202488 Madrid EFE in Spanish 1643 GMT 16 Jun 88

[Text] Lima, 16 Jun (EFE)—The media today reported that alleged Shining Path members have murdered 12 peasants. The police also hold this organization responsible for the murder of U.S. citizen Constantin Gregory Orson.

According to the press, an alleged Shining Path group on 14 June entered the Huayllay settlement located north of Huanta in the Ayacucho Department.

The press indicated that the terrorists gathered the peasants in the main square and killed 12 of them and wounded 4.

The first six terrorists who arrived in Huayllay wore Army uniforms and said that they came from a military base near Huanta.

The press added that when the people were gathered in the square other presumed Shining Path members, wearing civilian clothes, came into the square and shot the peasants.

Today the police of Huancayo held the Shining Path responsible for the murder of U.S. engineer Constantin Gregory Orson on 13 June.

Gregory was traveling with Jose Gustavo Rojas, a Peruvian agricultural expert, and two women in an area between Aramachay and San Antonio de Chique-Chico after attending a town festival when his vehicle was stopped by Shining Path terrorists.

The press reported that the two men were shot dead.

Since 1980, when the Shining Path began its guerrilla activities, about 11,000 people have died in clashes the guerrillas and the Armed Forces. Some 700 have been killed in clashes so far this year.

State of Emergency Extended in Northern Region

PY1606114288 Madrid EFE in Spanish 2307 GMT 15 Jun 88

[Text] Lima, 15 Jun (EFE)—The Peruvian Government today extended for 29 days the state of emergency in the northern jungle Department of San Martin, and in Leoncio Prado Province and the Cholon District both in Huanuco Department.

The measure, which suspends individual freedoms and places the region under a military command, was adopted in the face of persistent subversive activities and drug trafficking.

Other regions under state of emergency are: Lima and the port of El Callao, two provinces in southern Apurimac Department, eight provinces in Ayacucho Department, and seven provinces in Huancavelica Department, southern Peru.

More than 50 percent of the Peruvian population, about 21 million inhabitants, live under a state of emergency.

Uruguay

Cuban Deputy Foreign Minister To Visit

PY1606150188 Montevideo Radio Carve in Spanish 0930 GMT 16 Jun 88

[Text] Cuban Deputy Foreign Minister Ricardo Alarcon will come to Montevideo to clarify a diplomatic incident that occurred a few days ago between Cuban Ambassador Joaquin Mas Martinez and Defense Minister General Hugo Medina. This information was released by an official Cuban Foreign Ministry source, who said that Mas Martinez gave his own version of the incident in Havana. Based on this information, Alarcon will try to resolve the incident, taking into account that the two governments are willing to maintain the good relations that were resumed in 1985 after a break of almost 20 years.